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Contents

The Week 29

Editorials

How to Balance the Budget..... 31
The Economics of the Chaco War..... 32
Cornering Washington News..... 34

General Articles

Home Owners, Unite!.....Rose M. Stein 35
Paradigm in Paraguay.....Elmer Davis 38
Federal Control Goes South.....Amos W. Ford 41
Washington Notes.....T. R. B. 44
Loin du Bal .....Stark Young 45
Odyssey (verse).....Helen Cornelius 47
O'Neill into Opera.....Paul Rosenfeld 47

Correspondence 48

Reviews of Books

The Great Revelation.....Edmund Wilson 50
The Hard Road to Moscow.....Harold G. Laski 51
Five Recent Novels.....T. S. Matthews 52
A European Statesman.....Carl Ludwig Lokke 53
Book Notes 53

The Week

THE recent hearings in Washington by the Committee on Manufactures of the United States Senate brought together the experts from all parts of the country who know more than anyone else about the problem of relief for the unemployed. Here are some of the salient facts revealed by their testimony:

At least one-quarter of the unemployed are now receiving public assistance. A large additional number, no one knows how many, have asked for assistance but failed to receive it, usually because of lack of funds. (Estimates of the number of unemployed now run from 12,000,000 to 15,000,000.)

Private charity is down and out. From providing almost one-third of the necessary funds, it has slipped back until it furnishes only one-tenth. Even this tenth is rapidly dwindling toward the vanishing point.

Nearly all cities have exhausted their resources. Their chief source of revenue is taxes on real property, based in turn on earning power, which has been cut enormously by the depression.

Many of the states are also virtually at an end of their resources. Thirty-five of them have borrowed more than half of the government's $300,000,000 fund, and requests for further loans already amount to more than the unexpended balance.

Relief is still being given on the basis of a temporary emergency. It is haphazard, inefficient, overlapping in some areas and leaving others unprotected.

Contrary to popular impression, the federal government has thus far given nothing whatever to relief. It has merely acted as a bank, lending money to the states. Some of these, reluctant to increase their burden of debt, have borrowed less than they needed.

The general policy is not to give assistance until the needy family has exhausted all its own resources. This means that if relief is then interrupted, even temporarily, the family is completely destitute. It also means that even if the depression should end, millions of families will have lost their homes, their lifetime savings and perhaps also the habit of thrift.

Where relief is being given, it is so small in quantity that the recipients are reduced to a scale of living heretofore unknown to practically all Americans, even in the coal fields or the textile mills, for at least a generation. In Pennsylvania, the relief given is from $2 to $4 per week per family. In West Virginia it is $9.21 per family per month. These figures are not exceptional but typical.

The system of making work for the unemployed and paying them wages, which social workers recommend (though Communists call it forced labor), is everywhere being abandoned in favor of supplying food or grocery orders direct. The unemployed are not allowed to handle money and their self-respect and ability to care for themselves are thus still farther broken down.

Relief largely consists of food. Clothing, shelter and medical care are badly lacking.

The diversion of public funds in order to feed the unemployed has resulted in a dangerous diminution of other public activities. Schools, hospitals and libraries have had their budgets drastically cut. As a result, damage is being done to our culture which cannot be eradicated in a generation.

IT IS difficult, in reading the description of these terrible conditions, not to cast a wistful glance across the Atlantic at England. England has unemployment insurance, and has had it for more than a decade. During six months out of every twelve, the English unemployed worker gets his unemployment-insurance payment from the government. While it is small, it is larger than the payment received by hundreds of thousands of American unemployed, and is made larger still by Britain's lower cost of living. He receives it in cash, and spends it according to his own judgment of his own necessities. It is a new experience for Americans to look with black, despairing envy on conditions

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anywhere else; yet bad though times are in England, the jobless man or woman in America has every right to envy his British companion in misfortune. We cannot, of course, improvise an unemployment-insurance system overnight; but Congress can, and it must, pass the La Follette-Costigan bill appropriating $500,000,000, by which the federal government will for the first time contribute directly to the fight against starvation.

MR. Roosevelt's invitation to the Governors to confer with him immediately after the inauguration holds possibilities of immense benefit. In two important fields alone, a policy of coöperation between the states and the federal government is absolutely essential. The first concerns unemployment relief and a public-works program. The second concerns taxation. What money can be spent for the immense need, and by whom? To what extent can the money come from federal taxes, and to what extent from state? In duplication between federal and state taxation lies a large cause of the inefficiency and confusion of our tax system. The states still rely largely on the antiquated and unjust general-property tax, which is particularly burdensome in depression. In order to get away from it they look toward income taxes and sales taxes. But they find the federal government already in possession of one of these fields, and moving rapidly on the other—if not by a general sales tax, at least by a widening series of excise levies. Should not the federal government make it possible for the states to raise more from income taxes by exemptions in its own system for residents of the states doing so? If not, then the states may justly demand that the federal government collect for them and turn over to them revenue from this source. And should not the federal government refrain from further complicating an already confused situation by avoiding general sales taxes imposed on top of the many state taxes of this nature? The Governors in their own annual meetings in the past have succeeded in doing little, but with the coöperation of the President and in the face of the emergency they ought to accomplish more than to exchange pleasant speeches and adjourn.

SEVERAL weeks ago The New Republic suggested that when the British announced there could be no compromise on war debts and that the United States must cancel and receive nothing in return, they were simply establishing a good trading position. Events have borne out this supposition; Mr. MacDonald has announced in the Commons that all important financial and economic matters will also be discussed. It was obvious that otherwise there was no point in Britain's sending a delegation, since Congress would certainly reject a proposal which, if carried out on behalf of all the Allies, would cut down the total debt from $11,000,000,000 (or $22,000,000,000 with interest) to perhaps $700,000,000, without any offsetting advantages for the United States. It is still, of course, a grave question whether any compromise can be worked out regarding the British debt which will be acceptable on both sides of the Atlantic; and the difficulties will be even greater in the case of our other European debtors. A breakdown in negotiations will certainly mean a temporary default and probably a permanent one. Nevertheless, there is nothing else to do but to go forward with the negotiations and await the outcome.

A GREAT deal of nonsense is being uttered both for and against the proposal to give Mr. Roosevelt semi-dictatorial powers in the reorganization of the executive departments. The alarm expressed lest we be nurturing an American Mussolini seems to us unnecessary. The "abdication" of Congress is limited, temporary and voluntary, an effort on the part of its members to avoid responsibility for a dirty job of economy which they feel is nevertheless necessary. But that is not the way dictatorships come into power. On the other hand, the hopes held out regarding what Mr. Roosevelt can do are an equally fantastic overestimate. He will speedily discover that not much economy is possible in the ordinary routine of the executive departments without disastrously crippling the efficiency of government. He can, of course, increase efficiency by reorganization, and this is highly desirable; but not much money will be saved by simply changing labels. He can certainly, however, if he is given the authority and if he is brave enough, cut deep into the recent and unjustified increases in veterans' compensation.

MR. Hoover's speech in New York had a mild historic interest as the last important utterance of a President about to leave office after one of the most stinging defeats in American history; but it had no other significance. The brave pretense has been maintained that Mr. Hoover is still the leader of his party, will be its candidate in 1936, and laid down in his speech the lines for future Republican policy. He isn't, he won't be and he didn't. He merely repeated his well known views about the gold standard, a balanced budget and the unthinkableness of debt cancellation. His suggestion that America might use the debt payments to help restore the gold standard seems likely to be ignored on both sides of the Atlantic. His speech revealed again his characteristic qualities. Since the electorate passed judgment on those qualities last November, there is no point in considering them further.

SENATOR Cordell Hull has suggested yet another constitutional amendment. This one will do away with tax-exempt securities, of which $25,000,000,000 are outstanding which are wholly exempt and $12,000,000,000 more are exempt from normal taxes. Under his plan, the states could tax federal bonds and vice versa. Tax-exempt securities are less important than is commonly sup-

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posed. As Professor E. M. Patterson and Mr. Lewis Corey have proved in the pages of The New Repubic, tax-exempt securities are not a refuge of the very rich when tax rates become too high. They are bought miscellaneously, tax exemption being only one desirable feature among others, and discounted in their price. At the same time, they represent approximately a billion dollars or more of income which does not carry its fair share of the load; and almost certainly the burden is passed on to people less able to pay than are the purchasers of the tax-exempts. For that reason Senator Hull's amendment ought to pass, and no doubt will—if capitalist civilization holds together long enough.

AN IMPORTANT development in the Scottsboro case has received but little attention in the daily press. In April, 1931, when nine Negro boys were convicted of rape and eight of them were sentenced to death, the principal witness against them was Ruby Bates, one of the two white girls whom they were accused of having assaulted. On January 5, 1932, Ruby Bates wrote a letter to a sweetheart, Earl Streetman, obviously with the intention of reconciling herself with him. The letter was intercepted by the police, and its text was kept secret until January 31 of this year, when attorneys for the International Labor Defense procured a writ for the delivery of photostatic copies. These should be extremely valuable in the new trial, which is scheduled for the March term of court in Scottsboro. The letter, in which Ruby categorically denies almost every statement she made at the trial, reveals the flimsiness of the evidence on which a whole squad of homeless boys were sentenced to die in the electric chair. Three words have been deleted from the text of it:

dearest Earl
i want too make a statement too you Mary Sanders is a goddamn lie about those Negroes **** [deleted] those policeman made me tell a lie that is my statement because i want too clear myself that is all too if you want too believe me ok. if not that is ok. you will be sorry some day if you had too stay in jail with 8eight Negroes you will tell a lie two those Negroes did not touch me or those white boys. i hope you will believe me the law dont. i love you better than Mary does ore any body else in *the world that is why i am telling you of this* thing i was drunk at the time and did not know what i was doing i know it was wrong to let those Negroes die on account of me i hope you will belive my statement Because it is the gods truth i hope you be belive me i was **** [deleted] but those white boys **** [deleted] me. i wish those Negroes are not Burnt on account of me it is these white boys fault that is my statement and that is all i know i hope you tell the law hope you will answer

Jan 5 1932
Huntsville Ala Ruby Bates
Connelly Alley

p.s. this is one time that i might tell a lie but it is the truth so god help me Ruby Bates

How to Balance the Budget

DEPRESSION policy is now revolving about a dead center. No revival in foreign trade is likely until the international-debt controversy is settled, some progress is made in lowering tariffs and other trade barriers, and international currency standards are stabilized. Negotiations are planned for this purpose, but they will take time and the result is in doubt. Meanwhile no domestic revival is in sight until those with capital or credit begin to use it for enlarged production. This in turn awaits a revival of "confidence," and confidence in the capital market depends, according to the Wall Street formula, on balancing the budget. The alibi of the capitalist contingent is now that everything must wait until it is seen what the new administration will do about this. Meanwhile tax yields shrink, urgent demands for relief expand, and another deficit of over $2,000,000,000 is in sight for the present fiscal year. Congress debates giving the new President dictatorial power to reorganize and cut expenditures. Even if he had it, however, nobody knows how a sufficient reduction in spending might be made. Something must be saved at the expense of veterans, but altogether it is impossible to conceive how economies could total more than five hundred millions at the outside, and even this might cripple essential federal services.

Wall Street is stopped by the fixed idea that the budget must be balanced before anything else is done. This idea may be without merit in logic, but those who cling to it have immense power in our system. We doubt whether revival would come even if their demand were met. Nevertheless it is desirable to do something to satisfy their minds on this point, if only to call the bluff and prepare the way for a more aggressive policy.

What is needed, when a troublesome factual situation is at odds with an idea, is a formula which may adapt the idea to the facts. We must find a way to "balance the budget" without impossible and damaging federal economy and without impossible and ill advised taxation. This formula, we believe, is at hand. It was suggested in The New Republic months ago. Why not set up governmental accounts in a different manner, so as to distinguish capital expenditures from others? Why not have a capital account and a separate income statement? Every corporation does this. If its earnings more than cover its current expenses, it is said to have a gain or profit. It finances long-term improvements largely by the sale of new stock or bonds. It does not insist on covering these by current earnings. In so far as it has to borrow for permanent improvements, it is not said to have a deficit. Yet that is exactly what the federal government is now doing. The so-called "deficit" of the federal government's budget is not at all the same thing as a deficit in corporation accounting.

Harvey S. Chase, a prominent Boston accountant,

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has made for the Massachusetts Branch of the National Economy League a detailed study of the federal government's finances in correct form, as it would be done for a private corporation. In the fiscal year ending June 30, 1931, the revenue received by the government was $3,317,233,494. Its current expenses were $2,661,773,430. Instead of having a huge deficit in that year, the government therefore had surplus revenue amounting to $655,460,064. If, now, we add to current expenses the amount required to pay interest on the debt, or $610,758,025, we still have a net surplus of $44,702,039—a figure which corresponds to the "net profit" of a railroad. The remainder of what the government spent was for new capital outlays, $507,336,884, and retirement of debt and sinking-fund outlays, $440,082,000. To meet these expenses the government used its current surplus and borrowed the difference, or $902,716,845. The Secretary of the Treasury called this figure the "deficit" for the year. Yet obviously it was not a deficit, but borrowing for new capital and for debt refunding. In 1931 the budget could have been balanced merely by correct accounting! All the worry about the deficit on the part of business-minded men was needless.

In the estimated expenditure for the current fiscal year, $1,614,000,000 is either for payments into the sinking fund or for investment. Assuming that a "deficit" of about $2,000,000,000 is in sight, the deficiency to be made up in order really to balance the budget is about $400,000,000, or one-fifth of what it is ordinarily understood to be. The report states:

> It is now evident that if the "balancing of the federal budget" be confined to providing for "current expenses" from current revenue, while allowing "capital outlays" to be provided for (by a separate "capital budget") from new issues of notes, bonds, Treasury certificates, or whatever safe method may be taken—then the demand for total revenue will be decreased, the requirements for taxation will be lowered, the unintelligent demand, now nationwide, for horizontal, indiscriminate reductions of essential function costs will be lessened, while at the same time the government will not depart from sound financing. . . . This is no new and untried experiment. It is the universal method of all business. . . . It is almost criminal, however, in a depression such as the present one, to force our hard-pressed people of all classes to squeeze out their diminishing money to increase governmental revenue sufficiently to pay for capital outlays.
>
> During the seven years of prosperity prior to 1930 the public debt of the nation was reduced $9,800,000,000. It would not be departing from sound methods of finance if such capital expenditures as were deemed to be necessary, and which would reëmploy thousands of workers, were financed by issues of bonds, correctly adjusted to the life of the constructions, thereby putting upon future prosperous years—by proper amortization—(just as we did in the emergency of the War) the burdens which cannot be borne today.

This sounds like an editorial in The New Republic—but bear in mind that it is from a report written by a prominent business accountant and issued by an Economy League. We can only hope that the national economizers will listen to the words of wisdom from their Massachusetts brethren.

Of course no government could or should borrow unlimited money to finance permanent improvements. But what is the reasonable limit? If it is found in the willingness of investors to buy the securities, we are still far from it. If it is in the absolute size of the debt, we have less national debt than we had thirteen years ago, when our population and productive resources were much smaller. There is only one supposition that would prevent us from adopting a policy of more borrowing for investment—the supposition that prosperity will never return. But in that case, why worry about the budget at all? We shall have to worry about far more fundamental matters than that.

The Economics of the Chaco War

IN HIS article in this issue of The New Republic, Elmer Davis emphasizes the non-economic factors in the war between Bolivia and Paraguay. But there are important economic elements as well. In numerous volumes published before the present trouble broke out these influences are traced. The following facts are derived from Ludwell Denny's "America Conquers Britain" and his "We Fight for Oil" (Knopf), Henry Kittredge Norton's "The Coming of South America" (John Day), Margaret A. Marsh's "The Bankers in Bolivia" (Vanguard), Max Winkler's "Investments of United States Capital in Latin America" (World Peace Foundation), Scott Nearing's and Joseph Freeman's "Dollar Diplomacy" (Viking), The Commerce Year Book, The Anglo-South American Handbook, The New York Times and The English Review.

In September, 1928, Bolivia borrowed $23,000,000 from Wall Street bankers—money used to purchase arms and munitions despite the American State Department's dictum forbidding loans for this purpose. In December of the same year Bolivia waged war against Paraguay. Washington intervened and brought about a settlement. However, all this happened before the depression. On September 15, 1932, the League of Nations announced that in the past two years Bolivia, now once more at war with Paraguay, had purchased $20,000,000 worth of arms and munitions in Great Britain and in the United States.

The actual point at issue is not in itself of importance. The boundary dispute over the possession of the Chaco is, superficially considered, just another Latin American firecracker. Intrinsically the Chaco is of dubitable value. Yet it is coveted

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by landlocked Bolivia because it gives access to the navigable part of the Paraguay River and to the Atlantic. American capitalists have invested $133,000,000 in Bolivia, $40,000,000 in government bonds and the remainder in tin-mining, petroleum and other industries. American business interests now suffering financial losses in Bolivia will save millions in transport costs if Bolivia captures the Chaco.

Bolivia was an ideal object for imperialist penetration. The land was rich in indispensable raw materials, its backward population of two and a half million Indians and *mestizos* was easily ruled by a handful of whites, foreign capital to develop the country's resources was in demand, and the administration was obligingly corrupt. Tin, a vital factor in American industry, was the prize which capitalists sought. The United States consumes over 50 percent of the world output of this metal. It is necessary in the manufacture of war material, and modern armies subsist on canned food. Before the depression Bolivia derived 40 percent of her national income and over 50 percent of her total customs from the tin deposits, which are the second largest in the world. In 1929 tin constituted 92 percent of Bolivia's foreign sales, which amounted to $36,000,000. When the tin market collapsed, Bolivia's finances crumbled.

But the British control a world monopoly (80 percent) of tin production. The Federated Malay States, which produce 30 percent of the world output, have placed a 40-percent ad-valorem duty on all tin ore destined for ports other than British. This preferential tax gives the British a decisive advantage over the Americans. The cost of smelting is also lower in England than in the United States. Lack of fuel made smelting impractical in Bolivia; and smelting in the United States was too costly. For these reasons Bolivian ore was shipped overland to the Pacific coast, through the Panama Canal to English smelters, who reshipped the tin plate to the United States. This method of transportation from Bolivia is difficult and expensive. Mines are distant from railroads, which are reached by pack mules. A few motor roads were built by the Guggenheims at great cost. It would be to the advantage of American tin-mining interests to break the British monopoly and cut transport costs by annexation of the Chaco to Bolivia.

American capital dominates the Bolivian tin mines. The National Lead Company, acting for interests affiliated in the Patiño Mine Enterprises Consolidated, a Delaware corporation, acquired for $30,000,000 vast tin properties including mines and a railroad. The National Lead Company also has an interest in the Compañia Mineral y Agricola Oplaca de Bolivia. Altogether National Lead controls over 80 percent of the nation's tin production. The Caracoles Tin Company of Bolivia, capitalized at $40,000,000, is a Guggenheim unit of six mines. The International Mining Company, organized by W. R. Grace and Company, owns 8,000 acres of tin and tungsten mines in the Yungas region. The Fabulosa Mines Consolidated operates two mine groups covering 6,000 acres, the Incaoro Mines Company, a Delaware corporation, operates gold mines. These are all American concerns. Even the Director General of Mines is an American.

How did the tin magnates manage to make a profit in the face of extraordinary shipping costs? Mining company agents advanced liquor on credit to the Indians during the fiesta season and forced them to work off their debts. Wages were barely enough to live on, so that the Indians remained permanently in debt to the mining company. Over 50 percent of the population is living in peonage. Labor laws of Bolivia provide for an eight-hour day, but the twelve-hour day is practised. The seven-day work week is common, while in one mine, so it is reported, a continuous shift of thirty-six hours was the regular routine. The Patiño mines, a National Lead subsidiary, operated at a production cost of 20 percent below the world average and declared 15-percent dividends. It was labor, not capital, which paid the high cost of transportation. And if transportation costs could be reduced by the annexation of the Chaco, American capital would receive the first fruits of the Bolivian victory.

Oil won the war for the Allied Powers and oil will win the next world war. Battleships, airplanes, tanks and trucks use oil for fuel. Since the War the British and the Americans have run a race around the world in the hunt for oil. The mad competition has embroiled Bolivia. Exploitation of oil in Bolivia, like tin, encounters transportation difficulties. The volume of oil produced in Bolivia thus far is comparatively insignificant because of the depression and overproduction in more favorable geographical areas. Americans are keeping the Bolivian supply in reserve until better transportation facilities can be arranged through the Chaco.

The Standard Oil Company of Bolivia, a subsidiary of the Standard Oil Company of New Jersey, has a concession for a tract of 7,400,000 acres of petroliferous land for a period of fifty-five years. Standard also has rights to operate railways, harbors, telephone, telegraph and other public utilities. The Atlantic Refining Company, a Standard Oil affiliate, has obtained large concessions. Sinclair interests also have important options on oil lands. Standard Oil brought in a number of producing wells, but has capped them because it has been agreed that Bolivia was to get 11 percent in royalties. When Bolivia annexes the Chaco, the wells will be uncapped and royalties will pour into the national treasury.

In 1930, Standard Oil projected a pipe line toward the Paraguay River in the Chaco, although there was no assurance of a right of way from Paraguay. "The Standard Oil Company," according to The Anglo-South American Handbook, 1932, "is continuing operations in the Chaco district. It

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is reported that possibilities in this area are very considerable, but development is retarded by lack of transportation." Bolivian victory would solve the "lack of transportation."

The people living in this land of wealth are poverty-stricken. Only 9 percent of the national budget is devoted to education. There are but 450 primary schools, and 85 percent of the people are illiterate. Bolivia is virtually a colony of the United States. American investors own or hold mortgages on the whole land. Intervention and infringement of sovereignty are only terms in international law, but starvation and war are real.

The World War had several preludes in the form of imperialist conflicts in the Balkans, in Africa, and in the Near East. These crises were ironed out, but finally one developed into the war of 1914-1918. Imperialist nations are rehearsing for another world war. The Manchurian episode, the Colombia-Peru squabble and the Chaco dispute, whatever else they are, are struggles for trade and markets. These may be temporarily settled by compromise, as were those of Algeciras and Agadir. But the record shows that such economic conflicts have explosive possibilities.

Cornering Washington News

THE CHAIN-STORE system, symbol of our modern civilization, is reaching into the Washington newspaper field and threatens to standardize the nation's picture of the functioning of its government. During this session of Congress the Associated Press, largest news-gathering organization in the United States, suddenly augmented its service to include so-called regional coverage for all states east of the Mississippi and north of the Ohio Rivers. This regional coverage deals exclusively with Washington news of local interest. It supplements the national coverage now given by the A.P.'s regular Washington staff of almost forty. It is anticipated that the regional service will continue to grow until ultimately it takes in the entire country.

The A.P.'s move, which was a logical and not unexpected one, will tempt or force the two other big news organizations, the United Press and the Hearst service, to follow suit. Even if only the U.P. follows the A.P. into this regional field, the final result will probably be to eliminate competition, so that the vast majority of the nation's newspapers—those served by these two organizations—will get all their Washington news from only two sources. In other words, there will be only two presentations and interpretations—perhaps themselves tending toward sameness—of the doings of the federal government.

The congressional press gallery now has about 400 members. The A.P., U.P. and Hearst service, together with the New York city papers, account for approximately 125 of this total. Most of the other members are what are known as special correspondents, each representing one or more papers. The "specials" have always found their salvation, their reason for being, in local news—that is, in the discovery and dispatch of items that are too limited in their interest and significance for the press associations to handle. The "specials" also write interpretatively and, altogether, have for long exerted a helpful and important influence in the Washington newspaper world, keeping the press associations on their toes and tending, directly and indirectly, to produce all the news and the truth about it.

It is just this local field that the A.P. regional men are now covering, one to each larger state and one for a group of two or three smaller states. They are covering the local fields so thoroughly that they are dispatching, in some instances—mostly by wire—many items too local and trivial for even the "specials" to bother with. Not to mention the transmission help furnished by the A.P. wire network, the whole regular Washington A.P. force, covering all of Washington all the time, is actively aiding each regional man. This is almost blanket coverage, and that is what it is intended to be.

The "specials" are already feeling this competition and are losing papers. The editors can get news cheaper from the press association; and if there is a libel suit the press association shares responsibility. In the end, in the view of a good many observers, most of the "specials" will be driven out, so that the congressional press gallery will include only national news-association men, a tiny group of nationally syndicated interpretative writers and the correspondents of a few metropolitan papers which perhaps will always want and can afford their own Washington services.

This is a further symptom of the standardization of opinion which the social scientists have been pointing out. It will be easier than ever to control the character of the information received throughout the country. It will be more important than ever to know for what purpose this control is exercised. Laissez-faire disappears in journalism as elsewhere.

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Home Owners, Unite!

SEVERAL hundred thousand owners of encumbered homes are draining every possible resource to meet interest and, in some instances, principal payments on their mortgages. These resources are rapidly becoming exhausted. Savings have been used up, borrowing from friends and relatives has reached a saturation point and the cash value of insurance has been absorbed, all in an effort to save the home. Failure to meet the required payments means that the homes are taken away. Already, since the oncoming of the depression, a half-million or more homes have been transferred from their original owners to the mortgagors and more are crossing "the bridge of sighs" each day. Surely the situation is serious enough to call for immediate and drastic action that will strike at the root of things. The root of the difficulty here lies, without a doubt, in the precipitous decline of real-estate values. Can something be done to reëstablish those values or at least to halt the ever increasing momentum of decline?

There is, of course, the Home Loan Bank. This banking system was represented as a boon to the home owner, a cure for foreclosures and a stepping-stone in the path of economic recovery. It opened promptly and according to schedule, on October 15, in ample time to bring in a creditable number of Republican votes. It accomplished none of the things promised or expected of it, apparently not even bringing in the votes. It has done but one important thing in its brief career. It has proved its own unworkability.

Even with the best of intentions the Home Loan Bank, as at present constituted, can do nothing for the home owner who is today faced with foreclosure. Both the set-up and the purpose of the bank are designed not for direct borrowing, but for rediscounting mortgages held by building and loan associations, insurance companies and savings banks. The assumption was, at the time the law was devised, that when these organizations can discount the mortgages they hold at the Home Loan Bank, they will use the money thus acquired to lend on new mortgages and certainly that they will be in a better mood to renew old mortgages as they mature from time to time. The assumption proved indisputably wrong. The fact is that proponents of the Home Loan Bank set up the system and made definite promises to home owners without consulting, certainly without exacting a promise of coöperation from, the very agencies upon which the bank's success or failure depends. No mortgage-holding organization is *obliged* to join the Home Loan Bank and, what is even more important, if it does join, there is no compulsion upon it to use the cash acquired through rediscounts towards further lending on mortgages.

Most of the institutions eligible to membership in the Home Loan Bank are not suffering for cash. There are four billion dollars lying idle in the vaults of savings banks begging for investment, but not a cent of this money is available for mortgages. Insurance premiums provide a good inflow of cash to insurance companies so that they too need not depend upon the Home Loan Bank discount facilities. If in need of additional cash they can go, and have gone, directly to the Reconstruction Finance Corporation. On the other hand, even the largest available volume of cash could not induce them to invest in new mortgages or extend old ones if the risk is not a good one. Building and loan associations, according to the former president of the National Building and Loan League, Mr. W. E. Best, who is now a member of the Federal Home Loan Board, "are not in trouble and need no relief." The weaker among the latter institutions who are in need of relief—provided they cannot get it directly from the Reconstruction Finance Corporation—make use of the Home Loan Bank's facilities, not to help home owners, but to pay off their loans at commercial banks which are bringing considerable pressure upon them.

That is to say, the Home Loan Bank's inability to carry out its promise of aid to the home owner can be summarized as follows:

1. Mortgage-lending organizations eligible to membership are not flocking to join the system for the reason that they have nothing to gain by it. They are not willing to expand their lending policy until conditions generally, and in the real-estate field particularly, warrant such expansion.

2. Such organizations as do join are using their funds to pay off their loans at commercial banks. They too are not willing to expand their lending policy until conditions are more favorable.

3. The bank has no power either to force eligible organizations to join, or once they do join, to employ the acquired cash towards liberalizing their present extremely contracted lending policy.

There remains, to be sure, the clause within the Home Loan Bank Law providing for direct lending to individuals. It is a provision that was forced in at the last moment by those who foresaw the law's inadequacy to aid home owners and one which the administration opposed and hoped to ignore. What happened, however, was that this clause called forth more response than all the rest of the law's provisions.

Granting that in time sufficient pressure can be brought upon the bank to make direct loans, how much good will such loans do the home owner who is threatened with foreclosure now? The law pro-

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vides for the bank an ample margin of security. It stipulates that loans can be made for no more than 40 percent of the currently appraised value of a given piece of property. Values affecting properties that would come under the act have within the last three years gone down at least 40 percent. This means that the home owner, if he is successful in procuring a loan from the Home Loan Bank, will get it for only 24 percent of the original cost of his property provided he bought it prior to the depression, and practically all of the properties on which mortgages mature now have been bought in pre-depression days and at pre-depression prices. Twenty-four percent of his original cost will do him very little good in a present emergency.

Let us say that John Smith bought a $20,000 home in 1929 on which he had a 50-percent mortgage amounting to $10,000. The mortgage matures this year. A careful and impartial appraisal is made, based not upon the present market price, which is unreasonably depressed, but upon present cost to reproduce the property. This appraisal reveals that the property is worth $12,000. The mortgagee is a good conservative business man. He knows that in justice to himself or his stockholders, if there are any, he cannot risk a $10,000 loan upon a $12,000 property, especially in view of the fact that there is nothing definite to indicate bottom has been reached. He has no assurance whatever that property values will not continue to slide further down. He thinks it to his best interest, therefore, to ask for a reduction in principal of at least $2,000. But the owner can make no such payment. Foreclosure must follow.

The mortgagee is not anxious to acquire the property. He already holds title to more properties than he cares for. Besides, this one is no particular bargain. He might even feel terribly sorry for the owner. But business is business. On a property appraised at $12,000 he has a fair chance of realizing now or sometime soon his $10,000 investment. If he extends the full amount for another three years he is taking a chance upon further deflation which might by the next maturity date sink considerably below the $10,000 mark. He might be one of those who speaks of prosperity's being around the corner, but when it comes to risking a $10,000 investment, his confidence in the future of America becomes less profound. And so, regretfully perhaps, he proceeds to foreclose.

John Smith becomes frantic. He refuses to lose his $10,000 and he can't afford to invest $2,000 more in order to save his original investment, if saved it can be. So he is driven from pillar to post in his efforts to get a new mortgage and finally lands at the Home Loan Bank. The bank, we will assume, takes his case to heart. It carefully investigates the property and likewise arrives at the $12,000 valuation. According to its rules, it can lend Smith 40 percent of that valuation, or $4,800. Of what good is this loan to John Smith? How can he pay off his $10,000 mortgage with $4,800? If he could dig up $2,000, his present mortgagee would be willing to carry him along. This way he would need $5,200. His government, he finds, trusts him and the future of home owning considerably less than does the bank or insurance company, whichever happens to be his creditor.

The essential difficulty is that the owner's share in the property has been deflated. He is fighting desperately to hold on to his equity, but there is already nothing to hold on to. The wave of reduced prices has washed away all that he once owned. There remains only the hope that if better times come, real-estate values will go up and at least part of the equity will be restored.

How much substance there is to this hope is hard to determine. The probabilities are that the home owner today is in exactly the same position as was the marginal stockholder three years ago. We all know now that had he given up during the initial crash he would have been infinitely better off. Unless the downward trend of real estate is checked the same will certainly be true of the home owner. How is this check to be achieved?

Whether the individual home owner lets go of his property now or holds on to it a while longer, there are enough actual defaults in the payment of interest alone, and consequent foreclosures, to depress the real-estate market to an alarming and irreparable degree. There is a vicious circle here. The more depressed the market becomes, the more foreclosures there are, followed in turn by still further depressed prices and still more foreclosures. The process is bound to continue as long as mortgagees acquire more and more property and are more and more eager to dump such property in order to get all or as much as possible of their investment out of it. Real-estate values can never be reëstablished as long as foreclosures increase and dumping continues.

Even a liberalized Home Loan Bank Law can do almost nothing in this direction unless it be equipped to take over individual mortgages on which renewals are refused or on which interest payments are defaulted, and unless such mortgages, furthermore, can be taken over at their face value and for a long term. Obviously such a policy is both impossible and unsound. Why should the government finance homes that were bought during a mad era of inflated prices and which were in many instances beyond the owner's financial capacity in the first place? It might be argued that there is no less justification in such a subsidy than there is in the support lent by the R.F.C. to some of the banks and railroads. But then two wrongs never yet made a right. The really responsible parties, aside from the owners themselves, are the real-estate dealers and mortgage companies who in an effort to make commissions and earn interest have ballyhooed home ownership and induced buyers to assume impossible debt burdens. It is up to them to save the situation, not only as a duty or in retribution for the

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financial folly they committed, but because it is the only way to safeguard their own particular interest.

The difficulty lies not only in the home owners' inability to pay a portion of the principal as mortgages mature, or in the mortgagee's insistence upon such payments, but in the added fact that interest payments cannot be met. On the one hand there are the inescapable facts of a vast army of unemployed, of depressed business conditions and the disappearance of all available reserves. On the other, there is the rapid deflation in everything save interest rates, which remain fixed. In relation to the general purchasing power, today's dollar is worth 57½ cents more than was the dollar in 1929. That is, a dollar today can buy as many commodities as did $1.575 in 1929. Yet a mortgage contracted in 1929 at 6-percent interest still commands the same rate. This means that the 6-percent rate agreed upon in 1929 is now worth 9.45 percent. Or to put it the other way, if interest rates were based upon the present purchasing power of the dollar, as it is only reasonable they should be, the mortgagor who contracted in 1929 to pay 6 percent should today pay only 3.81 percent.

Here then is the stark reality of the situation. More than one-fourth of our working population, including a great number of home owners, is unemployed altogether. These are completely stranded and can make no payments at all. Two more fourths of the population, numbering among them a possibly greater proportion of home owners, had to adjust their economies to the current level of prices, which is at least 37 percent below that of three years ago. But the interest they must pay on their indebtedness remains the same as in 1929. Little wonder that such payments cannot be met.

How are we to overcome this difficulty? A really basic method of approaching the situation would be by way of scaling down the indebtedness and interest rates. What is needed, then, is not only a revaluation of property such as is taking place, but a revaluation of indebtedness upon that property. This is necessary not only because it is grossly unfair that the debtor class should be the sole sufferer in this process of drastic deflation, but also because the continued crushing out of equities lends ever greater impetus to the deflation process and will in time affect, as indeed it has in many instances already affected, the creditor class as well.

Many creditors recognize the wisdom and necessity of such a readjustment, but still lack both the courage and the means whereby to put such a plan into operation. In an anarchic society such as ours, concerted action which a complete scheme of readjustment would require is an utter impossibility. There are thousands of organizations and even more individuals who hold real-estate mortgages. To make the plan effective, each one, or at least a vast majority of these, would have to coöperate. How can their coöperation be obtained even though it can be proved to their best interest to act together?

The law itself is powerless, since each mortgage is a separate and distinct contract and as such is properly protected by law. Nothing short of a confiscatory order could invalidate these contracts and confiscation is a word much dreaded in these United States. Of course, confiscation actually takes place every time a home or farm is taken over by its mortgagee, but then it is done according to the accustomed or "due" process of the law.

Must we drift then with the current of deflation until three-fourths of our home owners have been dispossessed and made destitute? Perhaps in terms of ultimate change this would be the most advisable course. The sham of widespread property ownership would disappear and with such disappearance would come a clearer and sharper definition of classes. However, when faced with immediate destitution, ultimate values—even enhanced values—lose much of their force. It is hard to minimize the importance of the here and now. When immediate human suffering is involved, the present alone becomes important and the present demands prompt and effective aid to the home owner.

As already pointed out, the Home Loan Bank cannot cope with the situation—and the scaling down of debt and interest rates, which could cope with it, does not have the proper machinery for carrying out the plan. There remains one other possibility—that of a moratorium.

A moratorium, of course, settles nothing. It merely postpones the inevitable day of reckoning. In this instance, however, a postponement might prove of inestimable value inasmuch as it would put a stop to wholesale dumping of property and consequently a stop to declining real-estate values. It would give both mortgagees and mortgagors a breathing spell during which to look around and perhaps evolve some rational plan. The moratorium should be both on interest and foreclosures and in the case of interest should be contingent upon whether or not the mortgagor has full-time employment.

Here again we are faced with the need for concerted action and with the same difficulty in bringing it about. There is, however, a possible alternative. If mortgagees cannot see that it is to their growing disadvantage to foreclose on mortgages and to dispossess people of their homes, or if, realizing this, they still cannot organize for concerted action, then the home owners, who certainly both see and feel their own disadvantage in the process, should organize for action in their own behalf. The home owners, like any other oppressed or exploited class, can organize and collectively demand their due. There is no reason why such an organization cannot be formed in every community. Once formed, the organization can refuse to pauperize the future of its members by borrowing for the purpose of paying interest at a rate rendered absurdly exorbitant by virtue of the

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dollar's inflation. They can refuse to vacate their homes. They can form pools to pay a part on all mortgages instead of paying all on some and none on others. They can formulate any number of plans and bargain collectively instead of being crushed individually.

Individualism has proved itself impotent and innocuous in dealing with current economic problems. Only through concerted action can any of our present ills be rectified. A number of European nations are collectively asking for a moratorium, and indirectly for the inevitable scaling down or cancellation of their debts. Farmers are organizing for collective bargaining and demands. What are the home owners waiting for?

ROSE M. STEIN.

Paradigm in Paraguay

IF YOU are tired of worrying about the troubles of this great republic, you may derive some melancholy edification from the recent history of a couple of lesser ones. Bolivia and Paraguay are among the smallest of nations, but the biology of war is most easily studied in miniature and there has seldom been a better textbook example than the current war for the possession of the Gran Chaco Boreal. Officially it is not a war; Bolivia and Paraguay are still at peace, each nation is only using necessary measures for the defense of national sovereignty. War, as a juristic concept, seems to be obsolescent; it dates from the old days of dynastic conflicts for limited objectives. In that simpler time men could afford good manners even in international relations, and it was considered dishonorable to attack your enemy without giving him notice.

But in 1904 the practical Japanese observed that it gives you an advantage to hit him before he is on guard. Ten years later Woodrow Wilson, in his Vera Cruz adventure, discovered that to wage war without calling it war makes it easier to get out of an awkward situation; and the Japanese, ever ready to adopt Western ideas, demonstrated at Shanghai that the same expedient enables you to go ahead while everything is moving well and break off when the going begins to get hard. Bolivia and Paraguay are only following the most respectable examples if they insist that seven months of hard fighting with thousands of dead need not be defined as war.

But why should people fight over the Chaco? Till last summer most of us knew it only as the scene of adventure romances—an appalling swamp inhabited by jaguars, mosquitos and acutely disagreeable snakes. Heroes of fiction count themselves lucky to get out of it alive and would call any man crazy who thought it worth fighting about. The boundary between Bolivia and Paraguay was apparently left undefined because in the old days it was never supposed that anybody would care who owned the Chaco. But when the disastrous War of the Pacific cut Bolivia off from the sea, the Chaco with its access to a navigable river acquired a new value. The fifty-year-old boundary dispute has been "settled" half a dozen times, but one side or the other always failed to ratify the settlement. Meanwhile Bolivia and Paraguay were building roads into the swamp, and pushing forward their outposts. Opposing outposts in disputed territory mean frontier incidents (see the early history of George Washington for examples) and last summer the frontier incidents resulted in fighting on a large scale.

Why the pot at last boiled over is clear enough, to radical theorists. Bolivia, controlled by American capital, wants an outlet to the sea for her oil and tin; Paraguay, controlled by Argentine *(i. e.,* ultimately English) capital, wants to prevent it. Plausible enough—except that Bolivia has easy access to the sea by rail through Chilean territory; and that in view of the present world prices of oil and tin, you would think that if the Paraguayans really hated the Bolivians they would let them export all they liked, and go deeper into the red. Nor, if Bolivia is an American cat's-paw, it is easy to understand the persistent Bolivian complaints that the Hoover administration was giving Paraguay all the breaks.

Whatever this theory is worth, it does not tell the whole story. Bolivia fought her last foreign war fifty years ago, and lost it; Paraguay fought her last foreign war sixty years ago and lost it, though her six-year defense against half a continent is one of the wonders of modern history. In each country two generations have grown up without knowing what war means; two generations fed on the history of a more glorious past, eager to show that the men of today are as good as their ancestors, that they can reconquer their nation's rightful place in the sun.

II

The bickering over the Chaco had long disturbed the other American republics, and in January, 1932, delegates representing Colombia, Uruguay, Mexico, Cuba and the United States met with Bolivian and Paraguayan representatives in Washington, to try to reach a settlement that would stick. Paraguay proposed arbitration, Bolivia preferred direct negotiations. The stronger power usually does; Bolivia had four times Paraguay's population and a mod-

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ern army. The German General Hans Kundt, who trained it, had been sent back to Berlin after the Bolivian revolution of 1930, but the saber he had whetted was still available when the Bolivians wanted to rattle it.

Geography, however, favored Paraguay; the Chaco is at the back door of both countries, but it comes down almost to Asunción, the Paraguayan capital, while the strength of Bolivia lies far away in the mountains. If the Bolivians wanted to do anything in the Chaco they had to get there early; so when the neutrals proposed the withdrawal of troops lately moved into the disputed zone the Bolivians objected, from which you can guess who had been making most of the troop movements. In May the neutrals proposed a settlement in the best modern manner. War as a solution was to be outlawed; a neutral zone was to be delimited; the incidents that had already occurred were to be investigated by neutrals; and the negotiations were to be removed to Buenos Aires, more convenient than Washington to the scene of the dispute.

This suited the Paraguayans, who could count on sympathy in Buenos Aires, and caused much embarrassment to the Bolivians, who could not state their real objection without affronting the powerful Argentines. Luckily the Paraguayan government gave the plan to the newspapers and the Bolivians were enabled to reject it on the ground that they were outraged by this breach of the diplomatic proprieties. There followed further frontier incidents, and by the middle of July real fighting had begun.

The first function of modern peace machinery is the determination of the aggressor. It looks easy this time; for months the Bolivians had been occupying, often by force, positions claimed by Paraguay. But this is no more aggression in Bolivian eyes than was Zachary Taylor's occupation of the territory between the Nueces and the Rio Grande in the eyes of Americans of 1846. So when the Paraguayans struck back, the Bolivian government announced that it would take the necessary measures to defend national sovereignty. The sword had been forced into Bolivia's hand; crowds paraded the streets of La Paz, the capital, singing the national anthem; President Salamanca, speaking from the balcony of the Government Palace, called on his people to defend their country at any sacrifice. At that very moment crowds were parading the streets of Asunción singing the Paraguayan national anthem; and in New York papers appeared the headline, "Washington Clings to Peace Hope."

The hope seemed reasonable. Bolivia and Paraguay are members of the League of Nations and the Pan-American community, and the neutral commission already in session could serve as the voice of a peace-loving world. That voice asked both governments, on July 21, to "refrain from further armed acts that might aggravate the situation." The Paraguayans, evidently worried, agreed (with the qualification that they could not renounce the right of legitimate defense); but the Bolivians indignantly declared that this was only an imposition on the good faith of the neutrals. Bolivia's love of peace, it was observed, had been demonstrated by her past behavior; to continue negotiations now would be "a mock of national sovereignty and dignity." As the La Paz papers put it, "war is the only dignified reply to the constant bloody aggressions of Paraguay."

All right-thinking persons know that wars are made of governments composed of Wicked Old Men, against the will of peacefully disposed peoples. It is accordingly a little hard to understand the subsequent occurrences in Asunción and La Paz. In both cities, society women pledged their jewels to the war fund and their services to the Red Cross; women of humbler station stormed the War Ministry in Asunción begging to be allowed to enlist; and in both countries women by the hundred enlisted in a more conventional form of service and kept the churches busy with war weddings. Bolivians and Paraguayans resident abroad threw up their jobs to come home and get into the war; Bolivian intellectuals, like the German intellectuals of 1914, prepared an address to the world expounding the justice of their cause; and when Paraguay proclaimed a general mobilization, the prisoners in jail begged to be allowed to join the army—which proves either that the Chaco is not so bad as it has been painted or that Paraguayan jails are worse.

But mobilization takes time; and the Bolivians, already on the ground, were preventing further bloody aggressions of Paraguay by doing some bloody aggression of their own. Till reënforcements could reach the front, defense was left chiefly to the Paraguayan press, which called the attention of the neutral world to Bolivian atrocities—the bombing of peaceful farmers, the lynching of prisoners—and encouraged the Paraguayan public with the news that the enemy's army was ravaged by disease, and that Bolivian soldiers were deserting en masse because they had nothing to eat. This story did not appear in 1914 till the European War was three months old; but our times move faster.

III

The League of Nations was beginning to talk of doing something; but Pan-America did something first. You may remember a pacifist idea of 1915—the neutral conference for continuous mediation. Nothing came of it but the Ford Peace Party; even if the original plan for an official body representing all the neutral governments had been carried out, the neutral bloc of 1915 would have been weaker than either of the warring alliances. But the Pan-American neutrals of 1932 outweighed Bolivia and Paraguay together, in population and resources, about a hundred to one; and they had at their disposal the latest model in peace-making machinery—

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the Stimson doctrine, first enunciated in the case of Manchukuo. Nineteen neutral American republics, speaking in unison, warned Bolivia and Paraguay that no territorial rearrangement would be recognized that had not been obtained by peaceful means.

This had an immediate and gratifying effect—on Herbert Hoover, whose acceptance speech noted with satisfaction the extension of the non-recognition doctrine to South America. The Paraguayans acquiesced, not without reluctance, because they were getting licked; but the Bolivians, perceiving that Manchukuo was still there despite the Stimson doctrine, went right on capturing more Paraguayan forts. True, President Salamanca promised that Bolivia would act purely on the defensive; but in his view his troops were at that moment operating on the defensive in their own territory, which of course prejudged the whole point at issue. The neutrals thereupon tried again, making a concession to Bolivia; let there be a sixty-day truce, with the armies standing on their present lines. This time it was the Paraguayans who refused; their reserves were beginning to get up to the front, and early in September their counter-offensive began.

Its first fruit was the news (exclusive in the Bolivian papers) of the suicide of a Paraguayan commander frenzied by chagrin at his defeat (just so, you remember, the German Crown Prince used to commit suicide every month or so). Bulletins from the front were contradictory for some days; but you could guess who was winning on September 16, when Bolivian papers disclosed that the Paraguayans were shooting stretcher bearers and murdering prisoners, and crowds in La Paz demanded an air bombardment of Asunción by way of reprisal. The League now began to talk of "more energetic policies," and the American neutrals tried again. They proposed a truce; and whoever should break that truce would be cut off from all diplomatic relations with the three Americas.

This awful sanction was never invoked, because the proposal was never accepted. Bolivia was going through a series of Cabinet crises; when one of its ministries imprudently admitted its willingness to talk peace, the populace of La Paz, infuriated by this weakness, broke up a session of Congress and wrecked the homes of statesmen. (La Paz is hundreds of miles from the seat of war, out of reach of Paraguayan air raids.) As for the Paraguayans, so ready to negotiate a couple of months earlier, they had no taste for peace talk now that they were winning all along the front. It was suggested that sanctions might make them stop, but the Argentines insisted that only moral pressure should be employed; and I recall no case in history when moral pressure stopped anybody who was not ready to stop anyway.

So Bolivian forts and Bolivian ministries fell one after another. A hurry call was sent to Berlin, telling the exiled General Kundt that he could come home and all would be forgiven. Pending his return, the best the Bolivians could do was to tell the world that the Paraguayans were bombing hospitals, and using prisoners to shield their attacking troops, and filling their soldiers up with rum before they could get them to go over the top. These nefarious measures seemed to be working pretty well; the Paraguayans took Fort Boquerón, Fort Platanillos; on November 11 they attacked Fort Saavedra—and then came another turn in the tide.

IV

What happened to the Paraguayans, apparently, was what had happened to the Bolivians a couple of months earlier; the defense stiffened inside the twenty-yard line. As before, news from the front was for some time contradictory; the first symptom of the change in fortune was the Paraguayan complaints of Bolivian atrocities, now heard for the first time since the triumphant Paraguayan advance began. Now the League of Nations proposed a truce. The Paraguayans, whose offensive at Saavedra was getting nowhere, promptly accepted, on condition that the League determine the aggressor—which reveals either their consciousness of a righteous cause or their conviction that nobody can ever determine the aggressor. The Bolivians, too, were "willing to sacrifice themselves on the altar of peace"—provided they did not have to give up any of the territory they were fighting about. In other words, Fort Saavedra was still holding out; and General Kundt was nearing home.

Upon the return of this ruthless Prussian the Bolivians committed an atrocious violation of the local laws of war; they started an offensive in the rainy season. This seems to have been a complete surprise to the Paraguayans, who had counted on being able to take a good rest. Fort after fort that they had taken in October was lost in December; and this vicissitude heartened the neutral mediators to try again. The Chaco, it was now proposed, should be evacuated; armies should be demobilized; each side should police half the disputed territory pending adjudication. But the Paraguayans, despite their recent disasters, refused a solution which meant even temporary control of "indisputably Paraguayan territory" by Bolivian police. Which being interpreted seems to mean that they did not think even a Prussian could keep going very long in the Chaco rains.

They were right. Latest dispatches present this cheerful picture: "Surrounded by flooded swamps in which are thousands of poisonous jungle snakes, the armies have settled down to wait for the drying up of the roads, which may not come till April." Meanwhile the League is getting ready to appoint a commission of inquiry (without prejudice to the "helpful labors" of the Pan-American mediators); and the Bolivians, denying that they are using dum-dum bullets, call upon the world to reprobate the baseness of the Paraguayans in employing poison gas.

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V

A familiar story? Yes, and it may be familiar to our descendants ten thousand years from now, if there is anything left of the human race by that time. Boundary disputes in which each side appeals to history are at least as old as the war between Jephthah and the Ammonites, and determination of the aggressor is no easier today than when Herodotus and Thucydides tried it twenty-five hundred years ago. Only a few things you can be sure of—that (at least in nations where one or two generations have grown up without knowing what war is like) when the flag has been fired on, crowds will parade the streets singing the national anthem; and that atrocity stories will be sincerely believed on both sides; and that the readiness of governments to talk peace will depend on the news from the front. Only one incident of the Bolivian-Paraguayan war is, so far as my knowledge goes, absolutely unique—members of the Bolivian Congress, at a moment of political and military crisis, voted 30 percent of their own salaries to the war fund.

And the remedy? I wish I knew. Abolition of economic rivalries, if it can be managed, might help; but so long as human nature is so constituted that most of us dislike and distrust the people who live on the other side of the mountains, the principal cause of war is still with us, and the Marxian remedy eliminates only occasions and excuses. There can be no peace without a will to peace, a readiness to overlook trivial affronts to "national honor," a willingness to settle disputes by arbitration or adjudication, even at the risk of not getting all you want. As for the ponderous and intricate international peace machinery, it has accomplished, so far, exactly nothing. You could hardly find a situation in which neutral pressure would be more likely to be effective; but Bolivia and Paraguay, solemnly warned that no gains made by force would be recognized, went right on trying to make them none the less. The one suggestion of applying more than moral pressure got nowhere because a powerful neutral sympathized with the belligerent who would have been the more gravely inconvenienced by pressure. But will there ever be a war in which neither belligerent can count on the sympathy of a powerful neutral?

In the Chaco, the situation is just about what it was a year ago, except that some thousands of men have been killed; and as Joseph Conrad once remarked, men killed in little wars are just as dead as if they fell at Waterloo. Some day the rain will stop, the armies will start shoving each other up and down the field once more; and the prize of victory—if real victory, on such a terrain, can be attained—will be sovereignty over flooded swamps and lordship over noisome snakes. . . . But in the world of international organization, whose primary and essential business is the prevention and the stoppage of war, the situation is very far from what it was a year ago. The machinery in which idealists and optimists put their faith has failed miserably, failed in as easy a task as it will ever be called on to undertake; and the sooner that fact is recognized the better.

Who was it who called our species Homo Sapiens?

ELMER DAVIS.

Federal Control Goes South

THE United States government is again using force to reconstruct the South. By means of economic pressure it is forcing the Southern cotton farmer for the first time to use businesslike methods in crop production. So enmeshed has the farmer of the lower Mississippi Valley become in a one-crop agronomy that, without government intervention, he is vassal to the slightest factor affecting the world's cotton market.

For instance, there is Bill Smith, typical small cotton farmer. He lives within two hundred miles on either side of the River, and somewhere between Memphis and New Orleans. Though others more versed than Bill in the great game of getting-on-in-the-world have sought, and received, political aid for their respective interests, he has been left alone to learn from bitter experience about the laws of supply and demand, especially as they apply to cotton raising. He has learned slowly. Bill never has been able to finance his own business, for he has never saved enough from one crop to produce the next one. His capital is supplied, in whole or in part, by local merchants and bankers. At some time in the late winter or early spring, Bill exhausts whatever funds he has received from the crop sale of the previous year. His merchant, probably Henry Brown, then advances him goods and provisions with which to make a crop, accepting as security a lien on the ungrown cotton. Merchant Brown keeps Bill's accounts, advises him on profitable acreage and finally markets the crop for him in the fall. When accounts are balanced with cotton at harvest, the grower is paid his equity, if any exists, with which he pays his taxes, buys clothes for his family and settles miscellaneous debts not in the mercantile line. Occasionally Bill may leave his balance on deposit with the merchant, who pays out supplies, including feed and food, until the proceeds of the crop are spent; then the cycle begins again.

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If Farmer Smith has known anything about diversified farming and crop rotation in the past, he has certainly never practised them. Since cotton is almost certain to produce, and since it always commands a ready market, his creditors, even in the face of glutted markets, have insisted on his producing cotton to the exclusion of other farm commodities. Canned fruits and vegetables for his family, and feed for his livestock, have come from the general store, though climate and soil favor abundant production on Smith's farm. The natural consequence is twofold: costs of commodities used on the farm are much higher than they would be if home-grown; and crop failures or the present depressed prices are nothing short of catastrophe.

Smith has never used much care in seed selection; he usually grows a short, mediocre staple, which seldom commands a fancy price. And, of course, let it be understood that Merchant Brown who buys the cotton is primarily a merchant, not a cotton buyer. He never grades the texture of money which he accepts in payment of merchandise. By the same token, he never classifies cotton staple which he accepts in lieu of money. The result has been that much of the cotton at inland points has been sold strictly on a "hog-round" basis, with no distinction between different staples. Smith has reasoned, and with logic, that since long and short staple net him about the same price, the additional cost of producing an improved strain penalizes his pocketbook. It is but a short step from this premise to the inevitable conclusion that good staple is bad business. Moreover, the merchant usually wants his equity in the crop converted into cash as soon as the cotton is ginned, so that the farmer's chance to hold cotton at harvest time for a more favorable market, or to enter marketing pools to reduce selling costs, has been slight indeed.

It is not to be understood, of course, that all Smith's neighbors manage their farms as he does. Numerous planters, large and small, are entirely self-financing and follow a plan of systematic crop improvement; but their relatively small number merely accentuates the situation of the capital-poor farmer. At any rate, the tenants or share-croppers of the large planter depend upon him for productive funds in much the same way that Bill Smith depends upon his merchant, so that cotton farming as a whole has lacked the financial stamina necessary to weather a crisis.

Therefore, when three months of severely dry weather blasted the 1930 cotton crop in mid-season, Smith's only stock in trade vanished. With it went his credit. The merchant had already helped him to his accustomed limit, expecting payment from the crop at harvest. In the absence of collateral, banks were unable to help. With no food, no feed, no cotton and no credit, the cotton grower's nose was jammed flat against the proverbial grindstone. Providentially, the Red Cross stepped in in September, 1930, to avert actual suffering. On December 20, Congress appropriated $45,000,000 for drought relief throughout the Mississippi Valley, to be loaned through the Department of Agriculture, for seed, feed, food and fertilizer with which to produce the 1931 crop. County farm agents, with the assistance of local loan committees, were designated by the Department to handle applications for loans. These applications made history. "I agree," so borrower Smith certified, "to use such seed, fertilizer and methods of farming as are approved by the Department of Agriculture through its approved agents [the farm agents]. I further agree to plant a garden for home use and a sufficient acreage of feed to supply my livestock." To Bill Smith, such a practice was well nigh revolutionary.

These loans, secured by a lien on the grower's entire crops, were payable not later than October 31, 1931. At that date, cotton at inland points was selling under five cents per pound, whereas loans had been made on crop valuations which anticipated eight-cent cotton in October. Though Smith's loan was not over $150, had the Department of Agriculture collected the loan from him when due, it would have been forced to take not only Smith's five-cent cotton, but his food and feed as well, which he needed for his own use during the winter. In such a predicament, Smith would have been thrown back on the care of the Red Cross.

Rather than reduce the farmer to starvation, the Department of Agriculture threw local marketing traditions to the winds. In October, 1931, the Department ruled that it would grant on loans outstanding a temporary credit of eight cents on all cotton assigned to it and deposited in bonded warehouses of the various state coöperative-marketing associations.[1]

The cotton was placed for sale in the marketing pools of the coöperatives, and a scale of differential credits set up for various grades and staples. In effect, this was an extension of three cents on every eight cents which Bill Smith had borrowed, thus releasing a portion of his crop for outright sale and enabling him to buy winter clothing and pay his taxes. Since the marketing and storage facilities of the cotton coöperatives are available only to members, Bill had to join his state coöperative association in order to take advantage of the new loan provision. The situation in Louisiana is typical. Borrowers in that state were practically unanimous in signing marketing agreements with the coöperative-marketing association to consign their entire cotton output for the next ten years to the association for sale. The association for its part agreed to grade and classify all cotton so received and establish pools for its sale.

For the 1932 crop, funds were supplied by

[1] On October 5, 1932, the Department likewise granted a credit of nine cents per pound on middling cotton deposited against the 1932 loans.

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the Reconstruction Finance Corporation through the supervision of the Department of Agriculture and local farm agents. Not content with the diversified crops of 1931, the Department ruled that not more than 65 percent of total acreage planted by the borrower in 1931 could be devoted to cotton during the past season. Since by far the major part of the farmers who borrowed a year ago also borrowed last year, a drastic slash in cotton acreage was thus possible.

To hazard a guess as to the future of cotton farming in this section requires some evaluation of the results thus far in the government's program of control. Of paramount interest, of course, is crop control and diversification. Probably not in Bill Smith's life had he seen a situation like that of the winter of '31-'32. His cribs were filled with corn, hay and potatoes, all home grown for home consumption. His cellars were stocked with home-canned fruits and vegetables and home-cured pork, enough to feed his household. He seems to have learned well the first lesson in subsisting at home instead of in the grocery store.

Bill is being forced to reduce cotton acreage, so acreage control seems possible. Less cotton means more corn, cane, peanuts, melons and soy beans. Concerted action in reducing cotton production, upon which the Southern states could not agree in 1931 at the Jackson, Mississippi, conference, may yet become an actuality if the United States government seriously undertakes to enforce its rule restricting the acreage of the borrower.

Of just as much importance is the fact that Bill Smith is learning that texture and length of staple are as important market considerations as is sheer weight. His farm agent has helped him considerably by inducing him to buy improved seed with his loan money. The government's pointed lesson in favoring long-staple cotton this past year in adjusting loans has taught him a valuable lesson in cotton classification. The marketing association now assures him of both accurate cotton grading and a marketing pool which gives him bargaining power in selling his crop. True, he may cancel his long-term selling contract upon written notice, but the advantages of orderly marketing will probably induce him to retain his membership in the coöperatives.

Finally, to marketing control must be added finance control. Bill Smith is now learning to budget his expenditures carefully. Government loans are enabling many farmers for the first time in their lives to spend money rather than pledge cotton when they buy household supplies. The amount is not large, probably not more than a hundred dollars per planter in 1932. But it bids fair to give them economic freedom in time, after government loans are repaid, if and when the proceeds of one crop sale can be used to finance the next crop.

But will that time come? Any progress thus far in the farmer's status seems to have come not as a result of any positive policy of crop control by the Department of Agriculture, but rather as a result of chance. Loan requirements have been principally concerned with the steps necessary to recover the loans. Modifications of rules have been made merely to meet the exigencies of the situation. Their enforcement is being observed rather by breach than by observance. The farm agent is too busily engaged in his routine duties to assume the added task of checking on acreage and variety of crops. Field men from the Department are badly needed to supervise the operation of the loans. Substitute crops for cotton are essential if one-crop farming is to cease. Cotton that yields cash for taxes, though the price it brings is small, is preferable to other crops that cannot be marketed at all.

Thus far, no help of any consequence has been given the farmer in finding outlets for supplementary crops. As soon as government support is withdrawn, if it is within the immediate future, the farmer must again resort to the old mercantile financing plan and to the same hit-or-miss marketing methods. Cotton restored to the former level of twenty cents a pound by 1935 may be too attractive for crop diversification to survive. Certainly it is a compulsory educational program, as much as a perennial injection of working capital, that the United States government may supply to Bill Smith. Whether the government senses its opportunity remains to be seen.

AMOS W. FORD.

Washington Notes

Cabinet Making—Preliminary Spade Work—A Muddled Congress—Patronage and the Party Caucus

THE DAY has gone by, so far as I am concerned, for speculation about the Roosevelt Cabinet. By the time this edition of The New Republic is out, we shall probably know whether the President-elect has snatched three—or perhaps four—members of the Senate out of that sensitive and maligned body to make up his official family, or whether the inspired stories about Glass, Walsh, Hull and Cutting were merely a Rooseveltian smoke screen, designed to delude the reporters and conceal his real selections.

As I write, the newspapers are full of inside information that the Senator from Virginia has made up his mind finally not to accept the secretaryship of the Treasury; that the Senator from Montana wants to withdraw his promise to be Attorney General, and that the Senator from New Mexico has no desire to enter the Cabinet, greatly preferring to be a Senator. I know nothing about it except that it seems—and has always seemed to me—a little illogical and somewhat ill advised for Mr. Roosevelt so greatly to reduce the effectiveness of his congressional support, considering the wealth of available party material

William Gould Baldwin

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outside the Senate. It is rather hard to believe that among all the conspicuous party leaders on the conservative side—Young, Smith, Baruch, Baker, Cox, Ritchie, Davis—not one will receive an important Cabinet post. On the other hand, most of the above-mentioned Democrats have not been in contact with Mr. Roosevelt since the election—a fact which many regard as more or less significant.

Interesting as the Cabinet personnel undoubtedly is, a more important subject of discussion is what lies ahead of Mr. Roosevelt in the legislative field—whether or not he can push through a comprehensive and constructive program fairly early in the special session. While most of the newspaper stories have dealt with the patronage for which the hordes of hungry Democrats are wolfishly waiting, it seems true that an extraordinary amount of preliminary work on his legislative program has been and is being done for Mr. Roosevelt.

Ever since this short session of Congress began, his adjutants have been doing spade work. The estimable Mr. Baruch with his learned economist, General Hugh Johnston, has labored diligently to prepare an economy plan aiming to consolidate, abolish and merge the departments, over which Mr. Roosevelt will have almost absolute powers under the Byrnes resolution, already approved by the Senate and now being debated in the House. The loyal and devoted Professor Moley sweats over the problem of war debts and getting things into shape for the conference with the British, scheduled for March 5. Mr. Swager Shirley, who may or may not be in the Cabinet but who is one of Roosevelt's closest friends, has been wrestling with problems of budget balancing and new sources of revenue other than the sales tax, which seems to have been effectually killed by Mr. Roosevelt himself. Incidentally, there has been considerable amused comment upon the meekness with which Mr. William Randolph Hearst has taken the body blow dealt one of his pet projects by the candidate whom he supported with such fervor and enthusiasm.

I am reliably informed that to Mr. A. Mitchell Palmer has been delegated the job of preparing the resolution whereby the repeal of the Eighteenth Amendment, in accord with the party pledge, is to be ratified by state conventions instead of legislatures. I do not believe that it will be easy to get this through the Congress, notwithstanding the huge Democratic majority in both branches. The attitude of both Southern and Western Democrats is exceedingly hostile to naked repeal and very unfriendly to the state-convention plan. I am quite certain that a considerable number of Democrats, like Carter Glass, will refuse to consider themselves bound by the party platform and will favor the muddy Hoover proposal, which retains federal control over the states. In other words, the Democratic proposal can pass Congress only with the support of the wringing-Wet Republicans of the East, of whom there will not be a great many left in the new Congress. It is one of those situations which make a farce of campaign promises and party platforms and tend to increase distrust of all politicians among the people.

Besides Mr. Palmer, there are still others numbered among the Roosevelt workers. The mouselike Colonel House is preparing a foreign policy and Louis Howe, the confidential friend, adviser and secretary, is by no means confining himself to the matter of pie distribution, though in that he will have almost as much influence as the suave Mr. Farley himself. For help in his plan for the Tennessee Valley, I have reason to believe that Mr. Roosevelt has turned to one or two of the progressive Republican Senators, who are enthusiastic over it. He has asked them to evolve a legislative framework that can be filled in by his Attorney General after inauguration. Summing up, it does seem that an amazing number of men are at work on the Roosevelt program, and that, when Congress meets at his call in April, he will be ready for it. In fact there seems a very good prospect that he will be much more ready than Congress. But then, when was any Congress ready for anything?

It is not too much to say that the new Congress will be, at the start anyway, in a very much muddled state of mind. This, of course, is a more or less normal condition for Congress, but the Democratic sweep of last November has brought in so much new and queer material in the way of members, that the degree of muddlement promises to be unprecedented. There will be represented in House and Senate practically every shade of political opinion, except the Communist, in the country. There are extreme reactionaries and extreme radicals; rabid inflationists and rigid "sound money" advocates; men who want to cancel the war debts completely and men violently opposed to the reduction of a penny; those who want to pull us out of the depression by retrenchment and those who think the right method is to spend our way out. There will be all sorts and all kinds of statesmen among those 531 men, more than 170 of whom, I am informed, have never before held any elective office and are therefore unhampered either by knowledge or experience. It appears at first glance to be the kind of Congress from which nothing whatever might be expected save chaos and inertia. But if Roosevelt has the qualities of leadership and character so confidently ascribed to him by the circle that surrounds him, this may prove to be exactly the sort of Congress on which he can impose his own program.

At the start Mr. Roosevelt will have two powerful advantages, which if skillfully used should smooth the road for his program and make for its early enactment. One of these, of course, is the patronage. Already we have, from the suave Farley himself, a broad intimation that the great bulk of the smaller federal jobs—and these are always the most potent politically—are to be withheld until the Roosevelt program goes through. The other advantage is the party caucus, which in the last few years has been almost completely abandoned, but which both House and Senate Democratic leaders seem strongly favorable to reviving. I am informed that it is the purpose of the President-elect and his party leaders in Senate and House to utilize the caucus to the limit—and in the interests of efficiency and effectiveness I am delighted with the idea. If he does that and deals out the pie with a frugal hand, he should have his program through by July—and with a minimum of oratorical outbursts.

T. R. B.

Washington.

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Loin du Bal

A Letter to Mr. Shaw

WHEN I was young, dear Mr. Shaw, in a very negligible small place in the South, a village, of course, with its shakedown of ancient wrong conventions, bardolatry and meat-eating, there was a cousin who used to play on her square piano an old piece, "Invitation to the Dance," and with it another, "Loin du Bal." You are announced to arrive in America not very long hence, for a day only, it seems. By one of those foolish things of the mind, associations and what-not, ever since I heard this news and every time I think of it I am reminded of my cousin's music. You are the guest, I suppose, and America the dance at which you are expected; or, perhaps, we are the beings still far from *le bal,* which is you; for your whole career has been in the nature of a dance. The small squeak I want to make at you I have asked various persons whose taste I value to give me their judgments on, whether it is bad taste or not to say it. They say not. I console myself with two thoughts, or rather three. First: space in print—vulgarly known as publicity—of almost any sort so long as it is devoted to you, has always been your heaven. Second: you yourself have always reserved the right to say things, as you did when you were invited to Irving's funeral or when you sent to The New York World upon the death of poor Arnold Daly—who had been among the first with your plays in America—your celebrated cable about the rarity of spontaneous combustion: I mean to say that you have not always studied certain such dainty matters of politeness as might concern me now in addressing you, a famous man, no longer young and about to pay us a call. Third: one of your many virtues is that you have recognized sincerity when you saw it, though for the sake of your debate you have sometimes chosen to shut your eyes.

I read not long since of your landing in an Indian port and, apropos of the situation there, your saying that they need not mind too much; England, also, had its untouchables: let, for example, a duchess marry a butcher and see what an outcry would arise. I was ashamed of you. In the midst of that blood and the long suffering in India—about which you have at home said brave, sound things—for you to think only of a jibe with one of its eyes on a British audience, hoping, by the old tricks, to hit them and make them smile at the same moment—a safe moment thus guaranteed—was pitiful. What must the Indians have thought; how quietly in their own midst must some of them have been disgusted with the Dominion seer, pretty much as Tolstoy sat on you when you sent him "The Shewing-up of Blanco Posnet" and wrote effectively of God and God's development! No matter how quietly some among them may have stood in their meditations while you trotted the globe, they must have known that in the very first place, even, it was not true. Any child knows that England is filled with pill-makers, bitters-makers and what-not in trade who win titles, or chorus girls married to great lords, and that the only obstacle between the butcher and the duchess is that he should kill enough beeves to contribute to the party campaign or the royal charities. Could you not, even in those rich and now tragic lands and seas, go without the little news lines in the newspapers of America and England? We might let it go as senile were it not in line with your old tricks. The sum of all this is only to beg you not to land in America at all. You will be sure to say silly things.

I am mindful of your long, valiant life, that vitality in you, that standing up—trusting to your wits to make it safe, which it always turned out to be even after your "Common Sense About the War"—for what you saw was right, that high partisanship undertaken with enthusiasm and doubly so if it offended the Athenaeum Club, William Archer and the sober islanders. I hate to see you come to America and be silly. I know, too, the labor by which you perfected the instrument you use until you came to be among the marvels of English prose. I know the dedication, battle and circus you have kept up in order to place your thoughts, and the thoughts of such Europeans as you chose to lean on, with the English-speaking public. I know how soon in your career you were working among the books of the British Museum, acquainting yourself with movements and theories yet strange to Britain, where, as the French say, all good little philosophies go when they die. You indeed supplied a combination of knowledge, wit, courage and exhibitionism that put over matters which the brains of others had quietly given birth to. You, as you yourself have said, had a talent for elucidating and tidying up, an intellectual dustman—the phrase is your own—who taught people not only to take on new ideas, which they are ready enough to do for the sake of mere newness, but to get rid of the old stock of dead matter. Sometimes I have thought that your two chief blessings, in the way of gifts, were, first, a passion for getting into new forms, for those whom they might serve, deeply social ideas; and second, an enjoyment of shocking not only people who might thus be roused into life or brought in line with what you preached—anyone might enjoy such successful shocking—but also of shocking people who would never understand those ideas at all. The moral purpose of the first led you to being an artist. In the second, the satisfaction it gave the imps and vanity in you kept you going; it helped, too, keep Pan alive in you.

The gods, masquerading as the Life-Force, out of which you have got no few conceptions and more copy, put on each of us his particular curse, I suppose; your curse has been that you are so made that you cause people to think first of you, not of your subject—how often have you marred a crusade of yours by throwing yourself suddenly in, Shaw the wit, as if one could sacrifice everything but one's vanity, could never leave off tinkering at the fiction of oneself! Your pranking as reformer and tight-rope walker, social thinker and wit, Fabian and faun, at the same time, hamstrings many an honest answer from honest men whom you know to have solidity and intelligence, but who cannot play your half-guerilla, half-unfair game. You have waxed impassioned over unfair advantages one man may enjoy above another and you have hymned the fairness of Socialism, while using somewhat unconscionably for the fight your own advantages in brains, your unscrupulous jestings and thrust, as if this sort of strength and strategy had nothing parallel to the capitalists' ways. Even about sex, look at you. Play after play skipping

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about over marriage beds and the heats of clerks, women, poets and life in general, railing over excess, preaching the sexual regulation of people who cannot be, like you, busily engaged, energetic and entertained, and all this, mind you, with scarcely a chance taken as to broad words, good, bawdy, plain talk and hit the nail on the head. That touchy matter of word frankness—theorize and be gasped at, but such is only a dangerous game of sorts. And yet to be taken as a virgin, an acolyte, that would not do, it would be insincere and it would be harmful to the reception of your ideas popularly as not deriving from a real man. How you took care of that: "I liked sexual intercourse because of its amazing power of producing a celestial flood of emotion and exaltation of experience, which, however momentary, gave me a sample of what may be the normal state for mankind in intellectual ecstasy." The momentariness we will not take up, since we do not know whether it is measured in the light of the private or of the eternal. A way of getting to heaven. Nobody could too confidently debate that. It is, of course, only a redusted Renaissance theme, but which of our Coition Sects puts it so well? My little point, also, then, you will have taken care of: "Some people are born with a terrible desire to be laughed at; this has prevented me becoming a great author."

I remember when, as a student from the country, I first encountered your works, at an age younger than you were when you struck Ibsen. Even then, I remember, I was not taken in. I saw the verve and the delight, the smashing of fronts and top hats, the knowledge, the courage, the whizz and great talk of it all. But I saw also the shock method you used, saying things almost obvious in a way that made what might be modest preaching, gentle science or debatable sociology sound as if those who readily accepted it were essentially outraged at it. Behind this was your theory of irritation; that nobody will trouble about anything that does not trouble them. Even then I saw by the pleasant glow under my skin that the whole business was flattering me; to the charm of the rhythmic and delicious speech was added the enchantment of secret blarney. I saw, also, alas, and just as clearly, that the ego or the imp was omnipresent. This was a man who would babble in Zion. There was no tremor, no pulse, no power of beauty or the shadowy world or strength or joy that would shut up that self. It was a great deal, of course, this self; but was no great shakes to displace the stars, the long silence of night, the clouds one over another, from people's regard; and the same is true of great thoughts, profound ideas, passionate beliefs—the author's shadow replaced them all too often. Long before then when Ibsen dawned on the London few, your friend, Graham Wallas, after reading "The Wild Duck," said that when he "came to the end of the play, the bottom fell out of the universe." One can only ask what sort of a universe was this that you and your friends dwelt in that an Ibsen play could knock the bottom out of it, or any play for that matter? However, this was one way of fighting for Ibsen and the new new theatre from Europe.

Your Shakespeare scandal—imagine it in America unless Mr. Ford or Edison had said that Shakespeare was less great than himself!—came under the head of this Ibsen crusade. You can thank your very wise biographer, Mr. Archibald Henderson, for making clear your real devotion to Shakespeare. What you objected to was Shakespeare's thought, his social comment and so you went on and actually got a rise by claiming to be greater than the bard. That, of course, is one way of conducting the battle; you might have added almost that Phidias put no electric switchboard in the Parthenon, and what a blight on the Psalms wine is. All through Mr. Henderson's book there are points you could have sanely followed, if only he could have written your biography before you were born—now there's a theory of biography with meat to it that you have missed!

Lately I have run through your two volumes of dramatic criticism, belonging to the '90's. They are still engaging, persuasive; they still play tricks with one's natural processes in argument; they are often basic, free of an epoch. They had their influence. Pinero, for example, who after some years of apt theatre writing got himself off into problem piddle-paddle which he could fabricate but not digest. In fact what rash, brash thousands of dramas in English since then, full of reality, problems, situations and social comment! I have read over your "Cymbeline" criticism: "stagey trash of the lowest melodramatic order," and so on. Very well, dear Mr. Shaw, knock off the particles of this Shakespeare play. What remains? A basis of living substance, poetic glow, breathing pulse, free vitality. And now with time what remains of "The Notorious Mrs. Ebbsmith" and of a good deal of your own drama already, with the matter grown stale? Very little of anything. But what is the basis of drama, as it passes from epoch to epoch, style to style, thought movement to thought movement? Why, the same thing that remains in all life: living substance, et cetera. But I shall not like a village schoolteacher or a British vicar bite at that Shaw-Shakespeare bait. The Duse-Bernhardt criticisms, long famous, are better cases in point. Bernhardt, heavily plastered with make-up, "her lips red as a newly painted pillar-box, she is beautiful with the beauty of her school, and entirely inhuman and incredible." Duse on the contrary is everything opposite, one is at liberty to look at her gray shadows, her wrinkles, what life has written, et cetera. It all makes a fair distinction in a sort of general way, it is very persuasive, it carried on the fight for the new theatre. Duse wrote you a letter of appreciation, as well she might. For that matter, dear Mr. Shaw, Duse when she had been in America two days sent me a telegram asking me to see her, she wanted to tell me that what I had written of her had changed her state of mind in coming to America. She repeated this remark to others and asked me to come to Asolo that next summer. That ought to be for a writer of theatre criticism a sort of *nunc dimittis;* it was to me, though I bring it in only to bolster my right to an opinion at the moment. For all the charm of your article, much of it could as readily be turned upside down; Ellen Terry knew better, for she saw how easily Bernhardt took the elevated roles, her mask was perfect for it. The myth of Duse's not making-up is nonsense—you do not quite say it but the public got it somewhere—I have never seen make-ups so subtly contrived as hers were to the mask. Duse's realism was in large part that of the Italy of Dante in poetry, Mina da Fiesole and Donatello in sculpture and the mingling of the realistic and the exotic in D'Annunzio;

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and she told me herself that she detested doing "Ghosts" with its parochialism and its lying heroine.

It may be that all this worry of mine comes only from an old devotion, though I must confess such works as "Too True to Be Good" with the old tried tricks, the insistences and that appalling bourgeois sermon at the end, have almost finished me. It may be that your championships, your quips, causes, assaults, refusals, some of your scenes, your revival of real dialectic in the English drama, lead me to be jealous of the impression you make here in America. And I am indeed your debtor. And yet even as I say this I cannot help remembering, two years ago in Florence, a phonograph record of yours, something about English diction, which laid us all low with embarrassment for you; and another time in a huge moving-picture place in New York. You were talking from the screen, the old Shaw-ego-joke, turning your head, praising your profile, the crowd looking dumbly on, most of them not knowing who you were.

This could lead to my last point. You are one of the great showmen in literary history. No man is popped more into print than you and very few ever with such lasting reiteration. I think you should be reminded how apt you are to give the sense not of ideas but of a vaudeville of thought. You have spoken of your need to discipline your wit; another version would be to discipline your exhibitionism; that is if you will come to America and will say silly things. Do not be misled by the headlines of our New York newspapers; Peaches Browning and Al Capone got just as many. Remember that that specialty of yours, which has so circulated and so maimed your gifts, is the one thing America shines in and is skeptical about: advertising. It is too bad that one of our major sins you are not in a position to attack. If the reporters make you sound sillier than should be, well, they have done so with you before and for years; somebody said that if a man's wife calls him prince charming in public the second time it is his own fault. What a pity that on this visit you could not for once speak straight out, forgetting the fear of dullness. We need you badly; but we do not need your fiction of yourself.

STARK YOUNG.

Odyssey

I gave my spirit softly to the sea,
Though I have never loved a cruel thing;
And I was music that land to land would sing,
Borne in the long melodic odyssey.
I lay in coral, iridescent caves
Carved in the ploughing shell transparently.
The foam flower gardens nurtured me
By the dissolving houses of the waves.
I burned and spread as molten sunlight brimming
Over, I silvered in the flowing moon;
The wind blew on me like a swallow skimming
Till I was winnowed pure as a bird's tune,
Waiting and spun, a shining particle,
To rise reborn, man's embryonic cell.

HELEN CORNELIUS.

O'Neill into Opera

LOUIS GRUENBERG'S operatic version of Eugene O'Neill's "The Emperor Jones," which had its resonant world-première at the Metropolitan Opera House, New York City, on January 8, omits the play's final scene. This is the daylit scene outside the woods; surely the subtlest moment of the drama. After having exposed at length his crazing protagonist's expenditure of life in the struggle with humiliating phantoms of his personal and racial past, which actually are progressive projections of his false and easily undermined and swiftly dwindling self-confidence, the playwright gives a last ironic twist to his esthetic knife. He lets us observe the disproportionateness of the Emperor's fatal, curiously artistlike interior conflict to the external reality from which he is fugitive. In a daylight, effectively banal after the lonely and fantastic night, we see a few bush-Negroes attentively crouching. Suddenly a shot rings out. Paralyzed by the futile struggle with his own deep weakness and submissiveness, Jones has made an easy mark. A few soldiers emerge from the woods carrying his limp body. A feeble, low-class Briton steps over to the corpse and mocks it.

Instead of with this ingenious and profound contrast, Gruenberg's music-drama closes with an operatic transmogrification of the penultimate scene. The phantasmal witch-doctor and his crocodile-god, symbols of the exhausted man's overwhelming tendency to renounce existence under spell of the illusion that his death is acceptable to an implacable deity demanding human sacrifice, are here become actualities. The witch-doctor is now the head of the ex-emperor's pursuers, and finally subjects the broken fugitive by his powers. Low in the background an immense voodoo moon presents the horrid mask of a Central African Moloch. A multitudinous human pack rushes in. Jones, with a last, unmotivated spurt of self-preservative will, shoots himself with his silver bullet. And orgiastically stamping and intoning a fierce paean, the blacks carry his body out triumphantly.

The bulk of the opera follows the play with greater faithfulness. But the grossness of the conclusion is very characteristic of the plane on which the work succeeds. It is that of ordinary theatricalism. The score adds nothing essential to O'Neill's sympathetic tragedy of the representatives of delusional, handicapped, victimized races and minority interests: not even to the play's chopped and altered form. It does not second O'Neill's experiences with the parallel one of a musician, in the way that the scores of "Boris" and "Pelléas" and "Wozzeck" and many minor works may be said to second the poetries to which they are coupled with independent and still perfectly cognate musical expressions. Effectively put together by a musician of long experience, considerable technical facility, a sense of the theatre and a certain amount of selectivity, it does not progress from scene to scene. It has no decided life of its own.

The best of the musical ideas exposed in it, the fanfare connected with the Emperor's superficial conceit, for instance, lack a strictly individual color; and the worst of them, the rhythm of the final orgy, for example, are almost embarrassingly cheap. The interludial outcries given to

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the chorus which spies upon the action from stockades on either side of the stage are merely noisy; and the most effective orchestral passage in the opera, the sibilant chromatic music accompanying the white rising of the moon over the woods, remains queerly twice-told. In instances, the vocal medium, fluctuating between song and speech as in the dramatic works of Schönberg and his school, is telling: one remembers with pleasure the intonations of the Emperor's despairing "O Lawd's" at the commencement of Scene Five. But all in all, Gruenberg's song-speech lacks the shape and logic that legitimize its prototypes in Schönberg, Berg and Webern's scores. And all in all, the outstanding music of the piece consists of the setting of the spiritual, "Standing in the Need of Prayer," which Gruenberg gives his protagonist to sing. And that is an interpolation.

What the music actually does, is externally to accentuate what was already given by O'Neill; to work theatrically on the spectator while leaving the playwright to perform the real labor and touch the emotions. The more or less derivative, eerie, shivery and lugubrious orchestral colors which Gruenberg has sapiently exploited: the creepy sibilation of the strings, the spookish rattling and tintinnabulation of percussion instruments, the moaning and hollow brooding of horns, and the blood-curdling shrieks and bellowings of the chorus, constitute by and large a sort of superior bogey-music which plays wholly on the nerves. It really reënforces the work of the stage-machinist more thoroughly than that of the dramatist. Whether it performs its function more effectively than the instrumental sound which O'Neill incorporated into his play, the beat of the drum which starts at the end of the first scene and slowly and terrifyingly accelerates throughout the action, remains open to doubt. The drum-beat was more organic, and necessary, than the music. Gruenberg has attempted to retain the pulsation in his symphony. He lets it sound periodically from behind-stage, and has striven to heighten its effect by periodic entries in progressively faster tempos. But having to rival a lot of other and similar sounds, the drum-note is far less imposing in the opera than in the play.

But people like to hear music in combination with acting, and when the play is good, they are temporarily willing to accept companioning music that has no great value, provided it only functions in some capacity, no matter how mediocre. Thus, Gruenberg's accentuation of "The Emperor Jones" with musical means, theatrical and ultimately ineffectual though his manipulation of them remains, promises his work a temporary career on the lyric stage. Again, the opera of "The Emperor Jones" endows gifted singing-actors like Lawrence Tibbett, the hero of the Metropolitan performance, with an immensely grateful role; if only they do not, as Tibbett recently has shown a tendency to do, overplay and mar it. And this, too, assures the work of a success, no matter how little the composer has done to achieve it. It certainly constitutes a victory for an American composer, member as he is of a tribe proverbially unlucky in grand operatic essays. Yet it is scarcely one which shines. After all, it is only very remotely due to the methods of the artist. PAUL ROSENFELD.

CORRESPONDENCE

Interstate Tariffs

SIR: In The New Republic of November 2 you make the statement, in your editorial on "Free Trade and Protection," that "the United States at present has complete internal free trade." This of course should be a true statement, but unfortunately it is not.

Millions of unemployed and other millions of consumers with inadequate food budgets would respectfully remind you of the numerous margarine tariffs—put over by the powerful Northern butter lobby—which deprive them of a low-cost, wholesome and nutritious table spread—tariffs which are designed to close margarine outlets for beef fats and cottonseed oil, thus disadvantageously affecting millions of American farmers who happen to produce beef fats and vegetable oils instead of butter fats. But most tragic, surveys show, is the effect of all this unfair and discriminatory restriction of the production and consumption of margarine on millions of impoverished consumers. . . .

Your many Southern readers would respectfully remind you of another glaring and galling exception to the validity of your statement. If the good people of the South were not about the most complaisant and long suffering of any in the world, you would not have forgotten so quickly what South Dakota did in 1931. You would have remembered vividly that this state, whose numerous food products flow freely across the old Mason and Dixon Line, enacted a law in March, 1931, sufficient completely to embargo leading foods from the South out of that state.

On March 17 of that year the Governor of South Dakota signed a bill, which both houses of the legislature ignominiously passed, imposing a tax of five cents upon every pound of vegetable shortening and other cottonseed-oil foods sold in South Dakota to consumers. This obnoxious tariff wall is sufficient to shut out of the state all of these foods of Southern origin—Crisco, Snowdrift, Wesson Oil and the numerous other brands, including the cooking and salad oils. Of these popular, wholesome and nutritious cottonseed-oil foods the cotton-belt states annually produce 1,200,000,000 pounds.

The purpose of the South Dakota law of course is to help hog growers by shutting out vegetable shortening from the South. Most of the pork consumed in the South comes from South Dakota and the other corn-belt states. The law specifically exempts corn oil, thus emphasizing its discriminatory character. . . .

Memphis, Tenn. EARL S. HAINES.

Stamped Scrip

SIR: There is considerable confusion about stamped scrip. I am quoted as author of the stamped scrip which operates in Hawarden, Iowa. This is not true. I visited Hawarden shortly after the plan was started, and have referred to this visit in various articles and lectures. But I have always advocated the "dated" stamped scrip because it is superior to the Hawarden type.

There are two types of stamped scrip in use: the Hawarden type (as used in Hawarden, Iowa) which calls for the affixing of a stamp each time a bill passes from one hand to another; and the Wara type (as used in Germany and Austria) which calls for the affixing of a stamp on a certain day, say once weekly. In both cases fifty two-cent stamps have to be affixed to a one-dollar bill.

The main advantage of the last named, the "definite" or "weekly" dated stamped scrip, is that it penalizes hoarding. To escape this penalty people want to get rid of their scrip quickly, and thus a rapid pace of its circulation is effected. On the other hand, the Hawarden plan acts like a penalty on circulation. Each time a bill is spent it costs the purchaser as well as the recipient, since both have to affix stamps to get rid of their bills. Thus the pace of circulation is retarded by stamping. Stamping acts like a brake on the use of this scrip.

It is well known that one of the causes of the fall of prices

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is the hoarding of money, and its slow circulation. If a tax burden is put upon the one who passes his scrip, instead upon the one who hoards it, we lose the best advantage of the stamping feature under the plan for weekly stamping.

There is another point. In a very small town, such as Hawarden, there is more local patriotism, and a greater responsibility of one citizen to another, than in a larger town. Thus, while in that small town people may be conscientious enough to affix stamps voluntarily, they will not do it so readily in a bigger town. Evasion is possible in any case. Scrip will be accepted from friends without previous stamping, and passed on to friends without a stamp affixed.

Both types of stamped scrip are "self-liquidating." With the weekly dated stamped scrip the "self-liquidation" will take place automatically after one year (if a 2-percent weekly tax is used). With the Hawarden plan it is uncertain just when a bill will return fully stamped. It may happen within a few months, or go over an indefinite period of time (with the stamping evasion as mentioned) . . .

Reports from Anaheim and Merced, California, where the Hawarden plan was used, prove the correctness of these points, when compared with reports about the German Wara experiment and from Woergl, Austria, where the definite stamp date is used. The Mayor of Woergl states that, according to his calculations, the dated stamped scrip circulates about twenty times as fast as ordinary money!

New Haven, Conn. IRVING FISHER.

Meet the Real Marie Antoinette !

SIR: The editorial writer of The New Republic is not quite just to Marie Antoinette when he offers to introduce her to Mr. Walter Teagle. Marie Antoinette wanted to reduce costs by doing away with the titled governors of palaces and putting women housekeepers in their places. She carried this idea out in her own palace of St. Cloud. It was the cause of much of the criticism against that enterprise.

New York City. KATHARINE ANTHONY.

Preserving Capitalism

SIR: It is my intention to form a Privilege League, for it has occurred to me that every citizen who hopes that he may, by our present system of government, some day become one of the privileged, should have an opportunity to join with others of like mind and thus form a powerful super-organization to resist any possible changes in the structure of capitalism.

The basis of our organization would be, specifically stated, the doctrine that: "The present system makes for wide inequalities in the distribution of human privileges. In order that some persons may enjoy a mountainous accumulation of wealth, others must live in hovels. We, the members of this organization, firmly believe that we are destined to be on the favorable side of this unfortunate distinction. We believe that, however hard things have been going recently, we shall soon be extraordinarily prosperous—and accordingly, we are in favor of keeping absolutely intact the system by which we hope to obtain this exceptional prosperity. We are collectivists only in the sense that we recognize that the peaceful and conscientious collaboration of all our people is necessary if we are to amass the large private funds we have in mind.

"Because we hope some day to enjoy enormous incomes, we feel that the possibility of these incomes being heavily taxed should be avoided—so we propose, in the meantime, to keep the needy quiet by local funds, thus paying for their support out of our present scanty incomes (as in Block-Aid drives), in order that, when our earnings have in the future grown enormous, we shall be spared any large income or inheritance taxes upon them. . . . "

I wish to have the news of my project circulated among our general citizenry—salespeople (salespersons) at department stores, bank clerks, newsboys, sandhogs, typists, relatives of small Tammany office holders, proprietors of little grocery stores not yet crushed out of existence by the chain stores, former sales managers who are now, for this time being, doing house-to-house canvassing on a commission basis—in short, I wish to appeal to the general run of the Voice of God as prospective members of my Privilege League. They may join at one dollar apiece—which is as cheap a way as I know for them to protect themselves against the Reds, as I also plan to set up a lobby at Washington (with an expert public-relations counsellor at the head, with a nominal salary of fifty thousand and a quiet cut-back of twenty-five thousand to yours truly on the side, though you needn't mention this)—then launching a ferocious campaign against unemployment insurance, and for the complete elimination of the income and inheritance tax, by the substitution of the general sales tax. . . .

P. S. Blake says: "Dip him in the river who loves water."

New York City. WALTER S. HANKEL.

For Compulsory Health Insurance

SIR: In view of the fact that the majority report of the Wilbur Committee on the Costs of Medical Care advocates a group practice of medicine which is entirely inadequate to meet the needs of the impoverished public and the members of the health professions, the Pharmacists' Union of Greater New York, at its last meeting, adopted the following recommendations:

1. The establishment of a National Board of Medicine, Pharmacy and Allied Professions, which would tend toward a more even distribution of the members of the health professions among the various states.

2. The establishment of a system of compulsory health insurance, to be paid for by the state and the employer, which would make medical care available to the *entire* public, and which would put the medical, pharmaceutical and allied professions on a more organized basis. Such a system would tend to diminish the injurious practice of self-medication and would instead stimulate and increase the demand for real medical care.

3. The calling of a state conference of social, labor and health organizations, for the purpose of formulating a detailed plan for compulsory health insurance and a practical program of action.

OSCAR LERNER, President,
The Pharmacists' Union of Greater New York.

New York City.

Starving Miners

SIR: Stricken with unemployment as this country is today, the areas of hope are where workers have taken their courage and lives of their families into their hands to strike out for themselves against conditions which are beyond human endurance. In the mining regions of Illinois, West Virginia and Tennessee the situation is today sharp and bitter.

In Illinois the miners have organized themselves into the Progressive Miners of America. Some operators have settled with the union, but the powerful Peabody-Insull coal interests around Taylorville and Springfield look to the exploited Kentucky coal region to break the strike of the miners in Illinois. The fight in Illinois is a fight for a progressive, militant organization of miners and their families, instead of for an intrenched officialdom. At least 10,000 miners and their families in central Illinois today are utterly dependent on the money and clothes our committee can send them within the next few weeks.

In West Virginia the union fights on. It is in friendly alliance with the Progressive Miners of America. Still further south, in Wilder, Tennessee, coal miners have been carrying on a lonely battle against the company and a community which fails to sympathize with their plight. Friends of the committee are in close touch with the situation there.

Our plea is simple and direct. We know in your own midst there is suffering which must be assuaged. But friendless miners, sometimes lacking in hope, shut up in their tents or in little houses crowded with children, need money and clothing in their struggle against the organized operators. We must give now and be ready to supply funds and clothing when spring comes.

Please send money and clothing at once to Room 1105, 112 East Nineteenth Street, New York City. Make checks payable to the Emergency Committee for Strikers' Relief, to Norman Thomas, Chairman, or to Reinhold Niebuhr, Treasurer.

NORMAN THOMAS, Chairman.

New York City.

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The Great Revelation

The Engineers and the Price System, by Thorstein Veblen. New York: The Viking Press. 169 pages. $1.50.

Introduction to Technocracy, by Howard Scott and others. New York: The John Day Company. 61 pages. $.90.

What Is Technocracy? by Allen Raymond. New York: Whittlesey House. 180 pages. $1.50.

The A B C of Technocracy, by Frank Arkright. New York: Harper and Brothers. 73 pages. $1.

For and Against Technocracy: A Symposium, edited by J. George Frederick. New York: Business Bourse. 278 pages. $2.50.

Life in a Technocracy, by Harold Loeb. New York: The Viking Press. 209 pages. $1.50.

Technocracy: An Interpretation, by Stuart Chase. New York: The John Day Company. 32 pages. $.25.

PERHAPS the best of these books to read if one wants to find out about Technocracy are the "Introduction to Technocracy," which contains short statements by the Technocrats themselves, and "What Is Technocracy?" by Allen Raymond. Mr. Raymond is the author of the articles on Technocracy which came out in The New York Herald Tribune; but he has expanded and rewritten them and made a pretty good job of reporting. He gives a short history of the group, with data on the principal Technocrats and summaries of their principal statements as well as those of the persons who have contradicted their assertions. He has taken some trouble to look up Howard Scott's career and has found out some very curious things about him—though on the whole he has been more successful at establishing the falsity of the legends which have surrounded this Frank Harris of engineering than at discovering things that are true.

Stuart Chase's little pamphlet is also worth reading. Chase was himself at one time connected with the group. He gives a sketch of its development and, save in one respect to be noted, criticizes its doctrines acutely.

Of the other books, "The A B C of Technocracy" is a short exposition of its doctrines, which accepts all its figures uncritically; "For and Against Technocracy," a collection of papers by various hands including several chapters by the editor, turns out to be chiefly against; Harold Loeb's "Life in a Technocracy" projects a Technocratic utopia.

Taken in conjunction with Thorstein Veblen's book, "The Engineers and the Price System," the germ from which the whole movement sprang, these books tell a more interesting story than one may expect if one has been disgusted by the recent burst of hysterics on the part of the papers and magazines. After all, the excitement about Technocracy means that certain important facts have finally broken through into the minds of the American public (and have even aroused some interest in England). It seems now to have become possible for the first time to impress the larger public by telling them that technology has developed to a point where all the primary needs of man can be supplied with comparatively little labor; that the present competitive system is wasteful and anarchic; that a board of socially minded engineers could run a modern society like our own much better than the specialized business men who no longer even understand the technical processes they are supposed to control; that the continuance of the present system can mean nothing but increasing unemployment and ultimate chaos; and that private profit-making in industry will eventually have to be abandoned.

The liberals and the radicals, to be sure, have been saying these things for years, but they have never really gotten them across. The popular reformers have never admitted that the evolution of productive methods was inevitably making the profit system, which is what the Technocrats mean by the price system, impossible. They have had no real idea of social-economic evolution at all; whereas the Technocrats have at least given the public an historical picture of society—a picture which is true as far as it goes and which seizes the imagination somewhat as the Marxist picture does. The statements of Howard Scott himself are apparently wildly exaggerated as to what is at present possible in the way of enormous mechanical production at the price of very slight human effort; but something like this extravagant Wellsian vision was evidently necessary to attract the American attention. If we can get it only accompanied by Howard Scott's imaginary degrees and his Baron Munchausen romances about the big Harold Lloyd touchdown that won the game at Notre Dame and the rifle whose barrel burned a hole in the deck after he had put down the mutiny with it, we oughtn't to complain too peevishly. Our journalism and advertising have accustomed us to sensational statements and it requires the most gargantuan figures to make any impression on us. It required a fantastic romancer to make us aware of this truth. And now Chicago brokers are asking each other about Technocracy, and in the lobby of the Statler in Detroit the traveling men can be heard talking eagerly about it.

I have said that the Technocrats' picture appeals to the imagination as the Marxist picture does. It is founded, of course, on some of the same assumptions. When the Technocrat says that the development of technology is going to wreck the price system, he means the same thing that Marx meant when he said that the growth of large-scale manufacture was going to kill capitalism. But the Technocrats are timid or ambiguous where Marx was emphatic and clear. In their discussions of government by engineers, they fail, as George Soule has said, to face the prime job of engineering involved in bringing such a government into existence and enabling it to endure: "the engineering of human consent."

The Technocrats' master, Thorstein Veblen, in "The Engineers and the Price System," did not disregard this problem: he made it plain that his proposed soviet of technicians would have to have "worked out a common understanding and a solidarity of sentiment" with "the working force engaged in transportation and in the greater underlying industries of the system; to which is to be added as being nearly indispensable from the outset, an active adherence to this plan on the part of the trained workmen in the great generality of the mechanical industries." But he was coy about what he called the "revolutionary overturn." His irony, which has been praised, but which seems to me to have been defensive and to have enfeebled what he had to say, enabled him to slip around and in and out of this problem. The "disallowance of absentee ownership" will be "serious enough in its consequences" to the "kept classes." "Doubtless, hardship will follow thick and fast among those classes who are least inured to privation; and doubtless all men will agree that it is a great pity. But this evil is, after all, a side issue, as regards the present argument, which has to do with nothing else than the practicality of the scheme. So it is necessary to note that, however detrimental to the special interests of the

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absentee owners this move may be, yet it will not in any degree derange or diminish those material facts that constitute the ways and means of productive industry. . . . It does not directly touch the material facts of industry, for better or worse."

One of the valuable things that Veblen and the Technocrats have done is to emphasize the importance of the engineers—something that traditional Marxism had largely neglected. Nevertheless, the Marxist would say, this still leaves the prime problem unsolved. Why isn't it much more likely that the engineers would side with the "absentee owners" whose social and political views they have usually shared in the past, rather than with the workers from whom their training has separated them? Mustn't it be inevitably the working class that brings pressure to bear on the technicians, not the technicians who arouse the workers? It occurs to one as one reads Veblen and the Technocrats that perhaps something might be accomplished in America by appealing to the general public, not on the basis of "classes," since Americans do not usually think in these terms, but on the basis of "standards of living"—a phrase with which we are all familiar. Tell people that the abolition of the "price system" and the direction of society by a board of engineers would make possible for the whole population "an American standard of living." The only question is whether "American standard of living" would not irremediably imply for the engineers and other technicians and the people whom they might be supposed to influence what it has always implied in the past: a standard of living capable of infinite expansion through dividends, salaries or other gains from capitalistic business.

In any case, it is extremely important that the engineers should be educated out of this way of thinking; and Veblen's tract was a significant document. The Technocrats, however, have been guilty of evasions more serious than Veblen's largely literary sinuosity. Sometimes they fall into the fallacy of talking as if technological advance were something impersonal and independent of the human agencies which produced it—as if the machines ran by themselves and were going to take over society. In another form, it is the same idea as that of Beard and other pre-depression philosophers: that we have merely to "adapt ourselves" to the machine. At other moments there is evidently an assumption of the necessity of a "revolutionary overturn" being resolutely kept in the background. Howard Scott is well known to wear a red tie and red handkerchief, and among the very few stories that Mr. Raymond has not been able to disprove about him is the fact that he once worked for the Wobblies. And the socialistic implications of Technocracy have confused and troubled the whole discussion. The manufacturers and business men who claim to refute Technocracy's figures have obviously smelt these implications and bristled. Walter Lippmann has smelt them, too, and denounces the whole thing as a "booby-trap"; Stuart Chase, whose imperturbable jauntiness is getting to be almost like Franklin Roosevelt's smile, in criticizing Technocracy otherwise with intelligence and justice, remains as vague on this point as the Technocrats. And no doubt President Nicholas Murray Butler has not been insensitive to the nebula of red which may be discerned about Technocracy under certain conditions; no doubt an odor unpleasing to Olympus exhaled from the research chambers where the energy-charters were working; and no doubt this exhalation was not entirely due to the stench of Howard Scott's bogus degrees.

What is Technocracy without a political movement, without a social aim? The statement of Professor Rautenstrauch after he had thrown Howard Scott overboard sounded a little baffled and pathetic. "We are hoping," he said, "that as a result of this survey there will be some intelligent understanding of what we are trying to do as a people, out of which will arise a procedure filled with common sense." And evidently remembering Mr. Hoover's prayer for an inspirational poem, he added: "If someone would give us a national consciousness, we would accomplish a most remarkable result. If someone would write a poem like Edward Markham's 'Man with the Hoe,' it would give us the necessary driving power of a great ideal. A poem like that would give us a national consciousness. We must have a high purpose because with a high purpose comes action that leads to results."

Alas, Professor Rautenstrauch, it will take something more than a poem to get the beginning of a national consciousness out of Columbia. The only poem Technocracy ever had was Howard Scott and now you have disavowed him!

EDMUND WILSON.

The Hard Road to Moscow

Must We Starve? By Scott Nearing. New York: The Vanguard Press. 290 pages. $2.50.

MR. NEARING has written an able and effective pamphlet. With relentless efficiency he has set out in careful detail not only the terrible record of the capitalist system in the post-war years; its inherent contradictions, its gigantic social cost, but also the pathetic inability of both business leaders and academic economists to find within the structure it has created the materials out of which a solution can be found for its problems. So far as his indictment is concerned, the general outline of his analysis seems to me unanswerable.

Broadly, his analysis is an indictment in Marxian terms. He accepts the general communist position, and argues that the contrast between the anarchy of capitalist production and the planned society of Soviet Russia leaves no alternative to any thinking person who desires to avoid disaster. The reader, I think, will be inclined to feel that Mr. Nearing exaggerates the simplicity of the solution he has to offer. He is, in my view, right in his assumption that a society like our own is so much the prisoner of its contradictions that no recovery is possible upon the principles it represents. He is wrong in insisting that Russia offers us a direct and obvious alternative.

For while I wholly agree with him that efforts to socialize capitalism are doomed to failure, I do not believe that any communist planning, on a serious scale, is possible without catastrophic revolution; and before that can occur, it seems to me clear that two things must happen: (1) there must be a still greater volume of suffering to free men's minds from acceptance of the present order; and (2) there must be the kind of disorganization in the machinery of government which is produced by such an event as war. It is not improbable that both these events will occur in the near future. But neither of them necessarily implies a communist victory.

The success of Russian communism was very largely built upon the absence from Russia of that strong middle class which is the strength and the weakness of capitalist societies in Western civilization. Its existence seems to me to make probable an epoch in which something much more like fascism than communism is probable. That, too, will break down; and its erosion will involve experiments akin to that of Russia. But I suspect that when Mr. Nearing

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RUSSIA

NEW social and political developments in the land of the Soviets, including numerous aspects hitherto unreported to American readers, are the subject of a sparkling and informative series of articles to be presented in four consecutive issues of *The Nation*, beginning with the February 22 number (just out).

Louis Fischer opens the series with a discussion of recent events in Russia, and next week he will describe Russia's present relations in the Far East. Henry Lee Moon, one of twenty-two Negro actors who went to Russia to play in a film representing Negro life in America, will present in the third article a lively account of his experiences and impressions. The concluding article, on The Revolution in Clothes, is by Margaret Green, who recently spent three months in the Anglo-American School in Moscow.

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surveys the scene he closes his eyes to the cost we shall have to bear in moving on a ragged and broken front to the planned society he desires. I see very few of the immense vested interests which now control our social destinies giving way before our needs without fighting; and if, as I think, they decide to fight, whatever the new equilibrium that is ultimately established, the standard of life possible by its means is likely to be hard over a considerable period. On any alternative, the birth-pangs of the new order are more likely to be preluded by a new Dark Age than by entrance into that New Jerusalem Mr. Nearing has before his eyes. And I wish he had discussed the very interesting problem of how many radicals to whom the present social order is anathema are prepared to pay the price of coöperation in its remaking.

HAROLD J. LASKI.

Five Recent Novels

Gabriel over the White House, Anonymous. New York: Farrar and Rinehart. $2.50.

Pocahontas, or The Nonparell of Virginia, by David Garnett. New York: Harcourt, Brace and Company. $2.50.

The Sea Witch, by Alexander Laing. New York: Farrar and Rinehart. $2.50.

The Mirror of Fools, by Alfred Neumann. New York: Alfred A. Knopf. $2.50.

To the North, by Elizabeth Bowen. New York: Alfred A. Knopf. $2.50.

IF MUSSOLINI were to turn again to authorship—as, of course, he may have to, some day—he might write something like "Gabriel over the White House." Though it is aimed at the large and not-too-particular audience that gobbles up wild and comfortably woolly detective stories, and is furbished with the usual tinsel trappings of its kind, it is a fascist fairy tale. The scene is Washington in the 1940's. Somehow the Depression has managed to eke out its existence till then, and nothing has apparently been done about it. (This is one of the two rather shockingly cynical ideas in the book—the rest of it is all plain sailing.) The President is a big, easy-going politician, reminiscent of the sainted Harding, but supposedly a little smarter. He enjoys being in the White House and kidding the country along in traditional style—just an old-fashioned President. Then (this is the other cynical idea) he gets concussion of the brain, and when he begins to function again he is a changed man: he realizes that Something must be Done. After fierce and solitary deliberations he fires his Cabinet, he fires Congress. He acts (secretly) as *agent provocateur* to the unemployed, on the theory that they must be aroused to desperation before anything can be done. (Is this cynical too, or just unintentionally Marxian?) Naturally, the newspapers are unanimously against him, but he nullifies the power of the press by going direct to the people in a series of high-pressure-salesmanship television talks. When the armies of the unemployed converge on Washington he greets them with a smile, organizes them into federal labor battalions, routs out the racketeers by federal police, takes over the liquor trade as a federal monopoly—all to a swelling chorus of hosannahs. From time to time he forgets what he's about and has to stop and listen—but his guardian angel always whispers the right word just in time. As a concession to popular feeling he allows a brief, successful war with Japan. Then, when even Europe is willingly under

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his super-Wilsonian thumb, a fanatic tries to kill him, and the shock wakes him up again, back to normalcy. But by that time he has made the world safe for fascism, and even his best friends think he is a great man, whether he was in a coma the whole time or not.

In "Pocahontas, or the Nonparell of Virginia," David Garnett, in spite of dubious scholars, takes the John Smith rescue as gospel. Whether or not all his facts are canonical, he succeeds in bringing the whole cursing, hypocritical, shiftless, heroic Virginia settlement to life, and the fringes of it that formed Powhatan's empire. He even succeeds in making words like Werowocomo and Opechancanough sound natural and proper. He has been to all the places and read all the documents. But in his twofold ambition "to draw an accurate historical picture and to make it a work of art" he falls too often into the swamp of facts through which every historian must pick his choosy way. Pocahontas, the noble savage, and Captain John Smith, the battered soldier of fortune, both stand out like the human beings he has made them from the crowds of less-identified witnesses to Mr. Garnett's industry in research. If Mr. Garnett had been content to simplify his primeval forest we should have lost some very pretty trees, no doubt, but we should have a clearer view of the wood.

In Mr. Laing's "Sea Witch," on the other hand, it is historic detail that makes the book. His heroine is the clipper ship "Sea Witch" of New York, one of the first of those sharp-bowed experiments that culminated in the famous "Flying Cloud." The "Sea Witch" was a real ship, Mr. Laing tells us, and really had the glorious ten-year career that he describes. Built for the China tea-trade in 1846, she was given to Captain Roger Murray, a dandy on shore but a driver at sea, to break records with. The high point of her career was her seventy-five-day run from Canton to New York, around the Cape of Good Hope, a record never equaled by any other sailing vessel. Mr. Laing's nautical language may not be, as he hints, altogether to the liking of old salts, but it is mightily convincing to a landlubberly reader. The "human interest" of the story is not of the same order, but it serves to keep the yarn from fraying. There are three Murray brothers, and by the 479th page Roger's trick of saying "Hol-*la!*" has begun to grate on us almost as much as Hugh's habit of starting every other speech (even when he is talking to God) with "Look." (The third brother never says very much, and besides, he is lost at sea about halfway through.) In spite of such minor excrescences, however, "The Sea Witch" slips along at a spanking good clip.

William Faulkner might have escaped a good deal of criticism if he had gone back, as Alfred Neumann does, to the morbidities of earlier ages. Medieval characters, for instance, by a kind of retroactive statute of limitations, enjoy an immunity from our normal standards of behavior. In "The Devil" Neumann gave a brilliant exposition of how to turn so innocuously romantic a theme as "Quentin Durward's" into a Freudian nightmare. "The Mirror of Fools" is neither so brilliant nor so sabbatanic: it intends, in fact, to be Falstaffian. Duke Friedrich is a contemporary of Falstaff's; he, too, is a mountain of flesh, a drunkard who prefers Bacchus to Cupid, and either to Mars; his picaresque villainies land him in one solemnly slapstick situation after another. But this particular prescription is not in Herr Neumann's Teutonic pharmacopeia: there are several minims too much of horror in his grotesquerie.

Elizabeth Bowen is almost frighteningly clever. By the time you are a quarter of the way through "To the North" you are almost resigned to spending your next few hours

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T. S. MATTHEWS.

A European Statesman

Talleyrand, by Duff Cooper. New York: Harper and Brothers. 369 pages. $3.75.

MUCH HAS been written about the Napoleonic legend, but few persons have recognized the existence of a Talleyrand legend. It is a fact, nevertheless, and one of no less importance. Of course the two legends have not flourished at the same time and in the same circles. Talleyrand contributed in no small degree to the downfall of the First Empire, and therefore, under the Second, born out of the Napoleonic legend, the Minister's reputation naturally suffered. Strangely enough, the second ejection of the Bonapartes did not evoke respect for the memory of Talleyrand. In explanation, Mr. Cooper calls attention to Sainte Beuve's hostile essay, which has never been refuted by any other French writer of equal rank. Of late, however, there is a growing tendency to recognize in Talleyrand a European statesman. This new biography views him from that standpoint. A few months ago death stilled the voice of Aristide Briand: perhaps those who admired his efforts to preserve the peace of Europe will find pleasure and profit in reading how one of his celebrated predecessors in the foreign office tried to do the same thing.

Talleyrand, like Briand, served a number of governments; to him the form was incidental. He held office, usually as foreign minister, under Louis XVI, the First Republic, the Empire, the Restoration, and finally became Louis Philippe's ambassador to England. This record in itself is astonishing, but it becomes even more so when we examine his character. Talleyrand outraged all of his countrymen in one way or another. In a profligate age, his private morals shocked people; he amassed a huge fortune by devious methods while in public office; he betrayed time after time those who employed him. Contemporaries knew these things—Talleyrand lived and died in the public eye —and yet there always seemed to come a time when they could not do without him. Truth is, Talleyrand was the master diplomat of his generation; with consummate skill he cast a spell over Frenchmen and foreigners alike. His own definition of the perfect foreign minister will be recalled: "A sort of instinct, always prompting him, should prevent him from compromising himself in any discussion. He must have the faculty of appearing open, while remaining impenetrable; of masking reserve with the manner of careless abandon; of showing talent even in the choice of his amusements. His conversation should be simple, varied, unexpected, always natural and sometimes naïve." No one exemplified these qualities better than Talleyrand.

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To the author of this biography, Talleyrand's shortcomings shrink into insignificance beside his achievements as a statesman. He believes Talleyrand was motivated by what has been called "a superior view of things"; the interests of France and Europe rightly claimed his attention before those of a particular party or ruler. This interpretation will be resisted, but it has a place. Mr. Cooper, a member of the Conservative party in Parliament, presents it ably.

CARL LUDWIG LOKKE.

Book Notes

AMERICANA

INDIAN REMOVAL, by Grant Foreman. *Norman: The University of Oklahoma Press. 415 pages. $4.*

The great migration westward in this country, filled with hope, contained another, filled with despair. This was the forced hegira of the most cultivated and least nomadic of the Indian tribes of the Mississippi Valley, the Choctaws, the Creeks, the Chickasaws, the Cherokees, the Seminoles, from lands familiar to them, under the national policy established in Jackson's administration. Mr. Grant Foreman has given here the history of their removal, tribe by tribe, tracing almost every mile of the several journeys from Florida, Georgia, Alabama, Mississippi, as thousands of Indians were led or driven across rivers, through swamps, in boats across the Gulf, and overland, robbed at the outset of most that they held dear, poorly fed, beset by disease and death—many thousands died by the way—moving always in a disorderly progress because the whole undertaking was unplanned. These black and bitter chapters of our history are told dispassionately, but with a wealth of factual detail derived from large numbers of unpublished manuscripts, from government reports and state archives, from contemporary newspapers of little towns in Tennessee, Arkansas and Louisiana along what the Indians called "the Trail of Tears." In each of the five accounts—sagas, one might call them—touches of salient regional life are etched in, and the outcome for the Indian leaders is described. But it is Mr. Foreman's steady, patient attention to the fate of unknown men and women of the five tribes—sometimes identified only by name and by the disaster that overtook them—which gives his book its power and reveals the outlines of a vast communal tragedy.

BELLES LETTRES

OPIUM: The Diary of an Addict, by Jean Cocteau. *Translated by Ernest Boyd. New York: Longmans, Green and Company. 188 pages. $2.*

Any book of aphorisms is difficult to judge: the good effects are gone so quickly and the trite and the platitude remain. Cocteau's aphorisms, well translated by Ernest Boyd, are bound together by the fact that they were written in the St. Cloud clinic during a period of disintoxication from opium; the remarks and the drawings, which bear such a striking and composite resemblance to Grosz, Chirico, Picasso, were occasioned by the state of disintoxication. Proust, Radiguet, milk, the realistic theatre, Gide and a great many other subjects come in for comments; interwoven with these are technical statements about opium and its effects. The temperament which responds to this pastiche will have to bear some likeness to that of Cocteau himself.

VIEWS AND REVIEWS: A Selection of Uncollected Articles, First and Second Series, by Havelock Ellis. *Boston: Houghton Mifflin Company. 230 pages. $5.*

What, as Havelock Ellis says in his Preface, these miscellaneous articles have in common is that "it has never proved possible to fit any of them" into his books. In subject they range from "The Care of the Unborn," concerning illegitimate children, to "Blasco Ibañez," from "Proposal to Legalize Sterilization" to "Moral Criticism," an examination of Ramon Fernandez's "Messages." The time covered is from 1884 to 1932. These fugitive selected pieces of varying worth and interest have also in common the

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urbanity, the style and the encyclopedic knowledge of one of the outstanding figures in the liberation of modern thought.

Public Questions

JUDAISM AT BAY, by Horace M. Kallen. *New York: Bloch Publishing Company. 256 pages. $2.50.*

The Jewish people have been at bay for the last fifteen hundred years, as well as during most of the previous twenty centuries of their existence. They became a people under the stress of conflict; they made most of their contributions to humanity at the apogees of their sufferings; they did little to distinguish themselves during their few centuries of comparative prosperity. Now Judaism, along with other revealed religions, is at bay. In a collection of essays written during the last twenty years, Horace Kallen studies the resulting emergency. Without the cohesive bond of a common ideology, the scattered people would seem doomed to lose their identity. Kallen, who finds humanity richer because of its divisions into races and people, deems this regrettable. Since his detached intellectual temper is more concerned with what will probably happen than with what might or should happen, his virtue as a teacher is to clarify issues rather than to inspire his readers.

Fiction

THE PASTURES OF HEAVEN, by John Steinbeck. *New York: Brewer, Warren and Putnam (Harcourt, Brace). $2.50.*

Though classed as a novel by its publishers, "The Pastures of Heaven" is really a group of short stories fastened together by a common setting, a farming village in a California valley christened *Las Pasturas del Cielo* by its Spanish discoverer for the peacefulness it inspires. There is nothing serene, however, about these tales, except the author's graceful way of handling them. With the detachment of a much more experienced writer, he pierces the dull exteriors of his villagers and reveals with surprising effects their frustrations and eccentricities. His style, though childlike in manner, expresses a mature vision. Whether his story is as simple as that of the farmer who believed himself cursed, or as odd as that of the half-wit who thinks he is a gnome, Mr. Steinbeck manages to universalize his stories in a fashion that carries them far beyond the limits of a California village. His first book isn't merely "promising"; it is good in its own right.

Contributors

Rose M. Stein, now statistician for the League for Social Justice in Pittsburgh, was for a number of years connected with a real-estate-bond firm.

Elmer Davis, who left the Middle West for New York City, contributes to various magazines and is the author of "The Keys of the City," "Morals for Moderns" and several other volumes of fiction and essays.

Amos W. Ford is assistant professor of Economics at Louisiana Polytechnic Institute, Ruston, Louisiana.

Helen Cornelius, whose death occurred last month, was a young American poet, wife of Professor Roswell G. Ham of Yale. She had spent several years in France and contributed verse to Poetry and other magazines.

Paul Rosenfeld, who has been actively connected with the various modern movements in the arts, has published several volumes of literary and musical criticism and a novel, "The Boy in the Sun."

Harold Laski, the author of several volumes on social and political subjects, the most recent being "The Foundations of Sovereignty and Other Essays," is a faculty member of the London School of Economics. He formerly taught at Harvard and will give a course of lectures at Yale next year.

T. S. Matthews, literary editor of Time and author of "To the Gallows I Must Go," is working on his second novel.

Carl Ludwig Lokke, a graduate of the University of California, is a lecturer in History at Columbia University and the author of "France and the Colonial Question."

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